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Statistics of Income

SOI BULLETIN

Department of the Treasury
Internal Revenue Service

Volume 5, Number 3 Winter 1985-86

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Publication 1136 (Rev. 1-86)

Statistics of Income

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Department of the Treasury
Internal Revenue Service

Publication 1136 (Rev. 1-86)

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Director, Statistics of Income Division

The SOI Bulletin provides the earliest published annual financial statistics from various types of tax and information returns filed with the Internal Revenue Service. It also includes information from periodic or special analytical studies of particular interest to tax administrators. In addition, historical data are provided for selected types of taxpayers, as well as the gross internal revenue collections and other tax related items.

Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division, D:R:S, Internal Revenue Service, Washington, DC 20224.

In addition, special Statistics of Income tabulations based on income tax returns can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

Ralph B. Bristol, Jr., Chief, Tax Statistics, Office of Tax Analysis, provided overall policy review and comments. Robert A. Wilson and Bettye Jamerson were the technical editors of the publication. Clementine Brittain provided editorial assistance and copy preparation.

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COMMISSIONER OF INTERNAL REVENUE
Washington, DC 20224

February 11, 1986

The Honorable James A. Baker, III
The Secretary of the Treasury
Washington, DC 20220

Dear Mr. Secretary:

I am transmitting the Winter 1985-86 issue of the Statistics of Income Bulletin. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws. Presented in this issue are recent financial and tax data obtained from tax returns and associated supporting schedules.

With kind regards,

Sincerely,

Roscoe Egger

Department of the Treasury Internal Revenue Service

Articles in Preparation for Upcoming Issues

- — Superfund for Environmental Taxes, 1984
- — An Analysis of Partnership Activity, 1981-84
- — Corporation Foreign Tax Credit by Industry, 1982
- — Interest Income and Deductions, 1968-83
- — High-Income Nontaxable Individual Income Tax Returns, 1984
- — Estates, 1982-84

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As part of the Statistics of Income program a series of new services is now being offered (see below). Detailed information on these statistical services can be obtained by writing to Director, Statistics of Income Division (D:R:S), Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224. Purchase is by check made payable to the IRS Accounting Section.

Studies of International Income and Taxes -- Price $45.00

Purchase price includes a 516-page document for 1979-83 that presents information from 13 Statistics of Income studies in the international area, including:

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Activity of foreign corporations in the U.S.

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Purchasers of this service also will be provided with additional information for one year as it becomes available. The one year period for receiving additional information can be extended at a cost of $35.00 per year. A long-term subscription ($150) includes the compendium and additional information as it becomes available through August 1990. (The next compendium is scheduled for release in September 1990.)

Individual Income Tax Returns -- Price $20.00

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Sources of income
Exemptions

Itemized deductions
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size of adjusted gross income
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Partnership Returns -- Price $22.00

Purchase price includes a 314-page document for 1978-82 presenting previously unpublished Statistics of Income data for 1980, 1981 and 1982, as well as data previously issued in other publications. Features include:

Receipts
Cost of sales and operations
Limited partnerships

Deductions
Net income
Capital gains

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industry
size of total assets
state
number of partners

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Other Services -- Price dependent on the request

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- Special tabulations produced to user specifications.
- Public use tape files, including the Individual Tax Model (1979-83), among others. (Earlier files are available from the Machine Readable Archives Division of the National Archives and Records Service, Washington, DC 20408

BUSINESS
SOURCE BOOKS
(available from
Statistics of Income
Division)

CORPORATION SOURCE BOOK-1982
CORPORATION
FORM 1065
SOI REPORT
PARTNERSHIP SOURCE BOOK--1957-1983
SOLE PROPRIETORSHIP SOURCE BOOK

In addition to the Corporation Source Book, two others are now being offered by the Statistics of Income Division (see below). Information can be obtained by writing to Director, Statistics of Income Division (D:R:S) at the address above. Purchase of Source Books should be made at time of request by check payable to the IRS Accounting Section.

Corporation Source Book, 1982 -- Price $175

This is a 481-page document that presents detailed income statement, balance sheet, tax and investment credit items by major and minor industries and size of total assets. This report is part of an annual series and can be purchased for $175 (earlier issues at $150). A magnetic tape containing the tabular statistics for 1982 can be purchased for $1,500.

Partnership Source Book -- Price $30.00

This is a 291-page document showing key partnership data for 1957 through 1983, at the minor, major and division industry level. Includes an historical definitions of terms and legislative changes affecting partnerships during that period. Tables feature:

- Number of partnerships
- Number of partners
- Business receipts
- Depreciation
- Taxes paid deductions
- Interest paid
- Payroll
- Payments to partners
- Net income

Purchasers of this service also will be advised of the release of subsequent years' data. A magnetic tape containing the tabular statistics can be purchased for an additional $200.

Sole Proprietorship Source Book -- In preparation

This Source Book is a companion to that for partnerships, shown above. It is expected to be available later in 1986. Included will be data on:

- Number of business
- Business receipts
- Interest paid
- Depreciation
- Taxes paid deductions
- Payroll
- Net income

As with Partnerships, a magnetic tape will also be available.

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The Statistics of Income (SOI) Bulletin (Quarterly) -- Publication No. 1136
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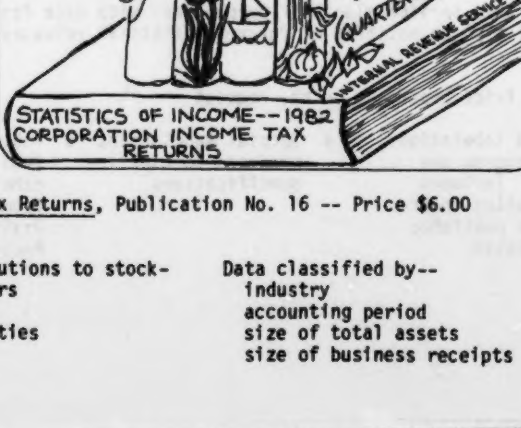

Statistics of Income--1982, Corporation Income Tax Returns, Publication No. 16 -- Price $6.00

Presents information on--

- Receipts
- Deductions
- Net income
- Taxable income
- Income tax
- Tax credits
- Distributions to stockholders
- Assets
- Liabilities

Data classified by--
- industry
- accounting period
- size of total assets
- size of business receipts

Correction to Fall 1985 Issue

Age and Tax Filing

Figure F., p. 32: Column 1 should read "Total returns" rather than "Total income."

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By David Barker and Marshall Epstein

According to preliminary data for Tax Year 1984, adjusted gross income exceeded $2 trillion for the first time. This led, in turn, to an 11 percent increase in "taxable income," and a 10.9 percent in income tax. This was the first increase in tax since rate reductions were enacted in 1981.

Corporation Income Tax Returns: Preliminary Income and Tax Statistics, 1983 11

By Karen Gutmann

Preliminary corporate data for 1983 reveal a 21 percent rise in net income, reversing the downward trend in corporate profits that began with 1979. This reflected an increase in business receipts of nearly $150 billion.

Nonprofit Charitable Organizations, 1982 21

By Laura M. Heuchan

Although the population of nonprofit charitable organizations decreased, their total asset holdings increased by $171.1 billion since 1975, the last year for which detailed statistics are available.

Individual Income Tax Rates, 1983 41

By Dan Holik

Average tax rate on returns that showed a tax, fell from 15.4 percent of adjusted gross income (AGI) for 1982 to 14.4 percent for 1983. For 1983, tax at the 15 percent marginal rate generated the most income tax, amounting to over $36 billion.

Private Activity Tax-Exempt Bonds 55

By Philip Clark

For 1984, the dollar volume of long-term private activity tax-exempt bonds reached $74.7 billion, up from $57.3 in 1983, extending a trend in which private purpose bond volume increased from $8.9 billion in 1975.

Sales of Capital Assets, 1981 and 1982 65

By Bobby Clark and David Paris

For 1981, 8.4 million individual taxpayers reported gain or loss from sales of "capital assets." Total gain less loss amounted to $122.9 billion, a 164 percent increase over 1977, the last previous year for which capital transactions were tabulated.

Crude Oil Windfall Profit Tax, First Quarter 1985 91

By Edward Chung

Windfall profit tax continued to decline. For the first quarter of 1985, the tax was $1.7 billion, the lowest amount reported since the first full quarter (June 1980) for which the tax was imposed.

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Cumulative Index of Previously Published SOI Bulletin Articles .... Back Cover

> **The Government are very keen on amassing statistics. They collect them, add them, raise them to the nth power, take the cube root and prepare wonderful diagrams. But, you must never forget that every one of these figures comes in the first instance from the Village Watchman, who just puts down what he damn pleases.**
>
> **Sir Josiah Stamp**
> **Inland Revenue Department**
> **England 1896-1919**

Individual Income Tax Returns, Preliminary Data, 1984

By Marshall S. Epstein and David Barker*

Preliminary data from individual income tax returns for Tax Year 1984 reflected an expanding economy and the culmination of four years of tax reductions. Overall, adjusted gross income (AGI) grew by 11.1 percent; salaries and wages grew by 10.6 percent. Substantial increase in interest received (13.0 percent), business profits (15.8 percent), and pensions and annuities (14.6 percent) also contributed to AGI growth. In addition, $7.9 billion of social security benefits were included in AGI for the first time. The increase in income led, in turn, to an 11.0 percent increase in taxable income and a 10.9 percent increase in total income tax, the first increase in tax since the rate reductions phased in by the Economic Recovery Tax Act of 1981 (ERTA). The increase in total income tax for the United States was accompanied by a drop in the average bill for taxpayers in virtually all AGI classes except in the "$1 million or more" class, a result of the last phase of the rate reduction mandated by ERTA. The 1984 data and the changes from 1983 are summarized in Figure A [1].

SELECTED SOURCES OF INCOME

For Tax Year 1984, AGI exceeded $2 trillion for the first time. Taxpayers reported $2,157.7 billion of income on 99.6 million tax returns. The 11.1 percent rise in AGI for Tax Year 1984 was the highest growth rate for AGI since Tax Year 1979.

Much of the increase in AGI for 1984 was due to a 10.6 percent increase in salaries and wages (see Figure B). Salaries and wages typically account for more than 80 percent of AGI, hence there is a high correlation between the growth of the two. This increase resulted primarily from growth in the employed labor force and average salaries and wages [2]. The accompanying 2.1 percent average decline in the unemployment rate with a concomitant reduction in unemployment payments from all sources caused unemployment income in AGI to fall by 15.2 percent to $6 billion [3].

An increase in interest income accounted for 9.3 percent of the increase in AGI for Tax Year 1984. This increase was primarily due to rising interest rates.

Although 6.2 percent more returns had dividends in AGI for 1984, the actual dollar amount increased by only 1.7 percent.

An increase in personal consumer expenditures partially aided nonfarm businesses. Nonfarm business net profits (less losses) increased 15.8 percent to $69.9 billion. In contrast, farm profits less losses declined 36.2 percent to $-12.7 billion. The last year farm profits exceeded farm losses was 1979.

Pensions in AGI were reported on 11.6 million returns for Tax Year 1984, an increase of 1.5 million returns from Tax Year 1983. The dollar amount of pensions in AGI increased by 14.6 percent, to $80.0 billion, continuing the trend of recent years [4]. For 1984, some taxpayers had to include a portion of their social security income in AGI for the first time. The amount of social security income included in AGI was equal to the lesser of half the social security benefits received for the year or half of the excess of the taxpayers' modified AGI over a specified base amount. The base amount that applied was $25,000 for single persons, $32,000 for married couples filing jointly, $25,000 for married persons filing separately and not living with their spouse, and zero for married persons filing separately and living together (see Definitions and Tax Law Changes at the end of this article). For Tax Year 1984, 2.6 million taxpayers reported $7.9 billion of social security income in AGI. Without social security income, the AGI increase would have been 10.7 percent.

STATUTORY ADJUSTMENTS

Total statutory adjustments did not increase as quickly for Tax Year 1984 as they did for 1982 and 1983. The amount claimed by taxpayers increased by only 10.2 percent, to $89.7 million.

---

*Individual Returns Analysis Section. Prepared under the direction of Susan Hostetter, Chief.

Figure A.--Sources of Income and Selected Tax Items, 1983 and 1984

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1983 (Final)	1984 (Preliminary)	Change, 1983 to 1984	Percent change 1983 to 1984
	(1)	(2)	(3)	(4)
Number of returns, total........	96,321,310	99,604,775	3,283,465	3.4%
Taxable....................	78,016,323	81,850,383	3,834,060	4.9
Nontaxable.................	18,304,987	17,754,392	-550,595	-3.0
Adjusted gross income less deficit..............	$1,942,589,865	$2,157,738,100	$215,148,235	11.1
Sources of Income:				
Salaries and wages............	1,644,572,655	1,818,588,323	174,015,668	10.6
Interest received............	153,805,163	173,855,732	20,050,569	13.0
Dividends in adjusted gross income...............	48,556,703	49,396,478	839,775	1.7
State income tax refunds......	5,729,452	7,015,658	1,286,206	22.4
Alimony received............	2,310,546	2,565,956	255,410	11.0
Business or profession net profit less loss..........	60,359,154	69,915,552	9,556,398	15.8
Sales of capital assets net gain less loss..........	49,407,678	52,805,525	3,397,847	6.9
Sales of property other than capital assets net gain less loss..................	1,180,217	1,503,693	323,476	27.4
Pensions and annuities in adjusted gross income........	69,813,961	80,003,021	10,189,060	14.6
Rent net income less loss......	-11,189,410	-14,126,240	-2,936,830	-26.2
Royalty net income less loss..	5,802,059	5,406,238	-395,821	-6.8
Farm rental net income less loss............	2,040,236	1,474,784	-565,452	-27.7
Estate or trust net income less loss............	6,528,688	6,952,127	423,439	6.5
Partnership net profit less loss.................	-2,527,138	-2,313,853	213,285	8.4
Small Business Corporation net profit less loss.......	1,999,581	8,236,075	6,236,494	311.9
Credit/refund for overpayment of windfall profit tax......	100,527	82,687	-17,840	-17.7
Deduction for windfall profit tax withheld..............	638,819	473,008	-165,811	-26.0
Farm net income less loss....	-9,294,484	-12,660,956	-3,366,472	-36.2
Unemployment compensation in adjusted gross income.......	7,110,645	6,032,433	-1,078,212	-15.2
Social security benefits in adjusted gross income......	N/A	7,877,223	N/A	N/A
Other income less loss.......	-11,684,539	-14,696,681	-3,012,142	-25.8
Total statutory adjustments....	81,393,011	89,702,665	8,309,654	10.2
Total itemized deductions......	309,633,773	356,427,100	46,793,327	15.1
Number of exemptions..........	234,390,944	241,493,051	7,102,107	3.0
Taxable income...............	1,544,872,497	1,714,704,713	169,832,216	11.0
Zero bracket amount...........	244,629,400	255,333,063	10,703,663	4.4
Income tax before credits.....	279,841,890	310,963,054	31,121,164	11.1
Total credits................	8,190,737	8,901,812	711,075	8.7
Income tax after credits.......	271,651,153	302,061,242	30,410,089	11.2
Alternative minimum tax........	2,520,954	1,889,861	-631,153	-25.0
Total income tax..............	274,181,323	303,969,892	29,788,569	10.9
Self-employment tax...........	7,802,257	9,776,272	1,974,015	25.3
Total tax liability...........	282,317,539	315,023,856	32,706,317	11.6

N/A - Not applicable.

NOTE: Detail may not add to total because of rounding.

Figure B.-- Selected 1984 Sources of Income and Percent Change from 1983

Income source	1984 Number of returns (thousands)	Percent change from 1983	1984 Amount (millions)	Percent change from 1983
	(1)	(2)	(3)	(4)
Wages and salaries..............	86,346	3.9%	$1,818,588	10.6%
Interest........................	62,200	9.0	173,856	13.0
Dividends in AGI................	14,155	6.2	49,396	1.7
Business or profession net profits less losses.............	11,229	5.1	69,916	15.8
Sales of capital assets net capital gains less losses........	12,375	13.3	52,806	6.9
Pensions in AGI.................	11,573	14.35	80,003	14.6

NOTE: The total income less losses shown on individual income tax returns for 1984 amounted to $2,247.5 billion; with total statutory adjustments of $89.7 billion, AGI became $2,157.8 billion. The six sources shown, which totaled $2,244.6 billion, accounted for 99.9 percent of total income (less losses).

Payments to individual retirement arrangements (IRA's) accounted for 39.9 percent of total statutory adjustments claimed (see Figure C). A tax law change implemented in 1984 may have slightly reduced payments to IRA's by shortening the period during which taxpayers could contribute to their accounts (see Definitions and Tax Law Changes). For 1984, the number of returns with payments to IRA's increased by 12.8 percent to 15.4 million. The amount claimed rose by 11.6 percent to $35.8 million. Of these 15.4 million returns on which taxpayers claimed payments for IRA's, 961 thousand were claimed on Forms 1040A.

More joint return filers used the two-earner married couple deduction than in previous years, because more couples had both spouses employed. The number of returns with the two-earner married couple deduction increased by 7.8 percent, to 24.3 million returns. By taking advantage of this adjustment, individuals reduced their AGI's by $22.6 billion.

ITEMIZED DEDUCTIONS

The number of returns with itemized deductions climbed by 8.5 percent, to 38.2 million for 1984. The amount of itemized deductions increased by 15.1 percent to $356.4 billion.

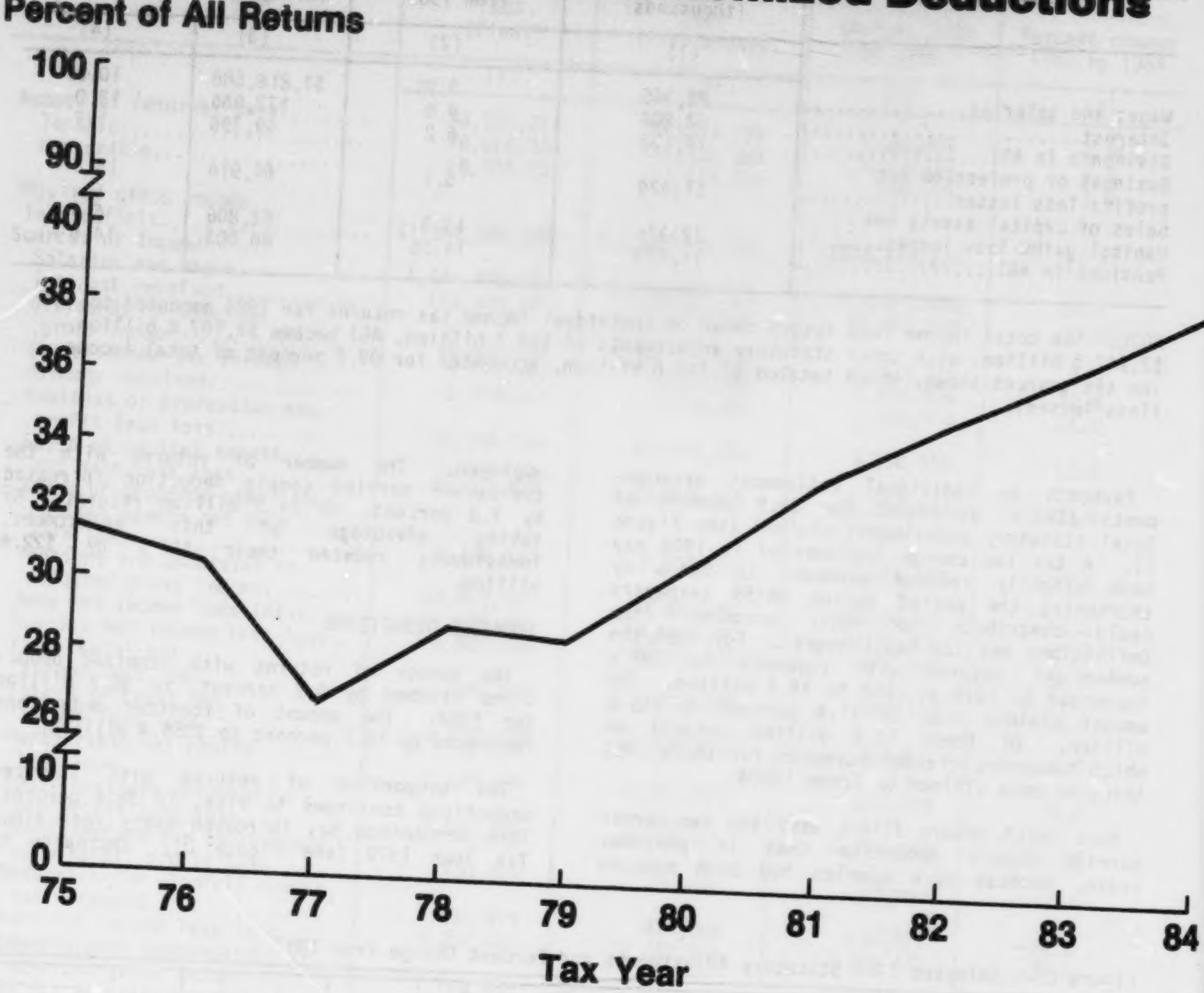
The proportion of returns with itemized deductions continued to rise, to 38.4 percent. This percentage has increased every year since Tax Year 1979 (see Figure D). Increases in

Figure C.-- Selected 1984 Statutory Adjustments and Percent Change from 1983

Statutory adjustments	1984 Number of returns (thousands)	Percent change from 1983	1984 Amount (millions)	Percent change from 1983
	(1)	(2)	(3)	(4)
Total...............................	37,192	6.8%	$89,703	10.2%
Employee business expense.............	7,521	1.8	18,778	5.3
Payments to an IRA..................	15,359	12.8	35,773	11.6
Two-earner married couple deduction....	24,320	7.8	22,602	14.4

NOTE: There were 10 statutory adjustments that could be made to income for Tax Year 1984. The three that are shown above accounted for 86.0 percent of the total. The remaining statutory adjustments included moving expense, forfeited interest penalty, alimony paid, disability income exclusion, foreign housing, and payments to a self-employed (Keogh) plan.

Figure D.
Percent of All Returns With Itemized Deductions



average income and deductible expenditures, without a corresponding increase in the zero bracket amount, may have been factors causing more people to itemize their returns [5]. Between 1979 and 1984 the nominal zero bracket amounts were unchanged.

Medical and dental expenses increased at a higher rate than any other deduction (see Figure E). A change in the law made it somewhat easier for taxpayers to claim medical and dental expenses by allowing all purchases of prescription medicines and drugs to be combined with other medical expenses before the 5 percent limitation based on AGI was imposed (see Definitions and Tax Law Changes in this article). For Tax Year 1984, 10.6 million returns showed $21.3 billion in medical expenses.

Almost 58 percent of the $16 billion increase in the taxes paid deduction resulted from increases in state and local income tax deductions. The balance of the increase was largely due to real estate tax deductions. Finally, interest expenses deducted rose 15.2 percent. This was partially a reflection of the larger amounts deducted for home mortgage interest payments.

Figure E.-- 1984 Itemized Deductions and Percent Change from 1983

Itemized deductions	1984 Number of returns (thousands)	Percent change from 1983	1984 Amount (millions)	Percent change from 1983
	(1)	(2)	(3)	(4)
Total............................	38,223	8.5%	$356,427	15.1%
Medical and dental expense...........	10,628	9.3	21,349	18.1
Taxes paid...........................	37,939	8.8	115,917	16.2
Interest paid	34,572	9.1	155,204	15.2
Contributions........................	34,680	8.3	42,420	12.6
Miscellaneous........................	31,550	9.0	20,740	6.7
Net casualty or theft losses......	245	19.4	798	-19.5

INCOME TAX AND TAXABLE INCOME

Total income tax (the sum of income tax after credits and additional tax for tax preferences) increased by 10.9 percent from its 1983 level, the first increase since 1981. The decreases for 1982 and 1983 were the result of the tax rate cuts phased in by the Economic Recovery Tax Act of 1981. While the last of these cuts continued for 1984, tax rose, reflecting the 11 percent increases in both AGI and taxable income (see Figure F). The impact of the legislated tax rate reductions can be seen in the size of the average tax bill per return, which declined for all AGI classes, except those over $1 million.

Figure F. -- Adjusted Gross Income, Taxable Income, and Total Income Tax, 1980-1984

[Billions of dollars]

Tax Year	Adjusted gross income	Taxable income	Total income tax
1980	$1,614	$1,280	$250
1981	1,773	1,411	284
1982	1,852	1,473	278
1983	1,943	1,545	274
1984	2,158	1,715	304

The number of returns with "total income tax" reported rose from 78.0 million for Tax Year 1983 to 81.9 million for Tax Year 1984, an increase of 5.0 percent. The proportion of returns with total income tax had been increasing slowly since Tax Year 1977, and by 1984, these "taxable returns" represented 82.2 percent of all returns filed (see Figure G).

Figure G. -- Number of Returns Reporting Total Income Tax, 1977-1984

[Number of returns in millions]

Tax Year	Total returns	Returns reporting total income tax	Percentage of total
1977	86.6	64.4	74.4%
1978	89.8	68.7	76.5
1979	92.7	71.7	77.3
1980	93.9	73.9	78.7
1981	95.4	76.7	80.4
1982	95.3	77.0	80.8
1983	96.3	78.0	81.0
1984	99.6	81.9	82.2

TAX CREDITS

The total amount of tax credits claimed and the number of returns with credits increased from Tax Year 1983 to 1984. For 1984, about one fifth of the returns filed claimed tax credits; total tax credits claimed were $8.9 billion. The two largest credits were the general business and child care credits; they accounted for 76.9 percent of the total amount of tax credits.

Figure H. -- Tax Credits, 1983 and 1984

[Millions of dollars]

Tax Year	Total tax credits	General business credit	Child care credit
1983......	$8,191	$4,263	$2,051
1984......	8,902	4,183	2,665

(In Figure H, to facilitate comparison between 1983 and 1984, the general business credit was approximated for 1983 by adding the investment and jobs credits together. The alcohol fuels and employee stock ownership credits, the other components of the general business credit were not included for 1983.)

The amount of child care credit claimed increased significantly, from $2.1 billion to $2.7 billion. The increase was about equal to the increase in total tax credits. This credit has been available since Tax Year 1976. Prior to that time, any tax benefits accruing because of child care expenses were in the form of a deduction from income.

For Tax Year 1984, the investment credit, the largest credit for previous tax years, was not reported separately on Form 1040 (although it was reported separately in supporting schedules). Instead, a single line was used to report a general business credit, which was derived from the sum of the investment, jobs, employee stock ownership and alcohol fuels credit. Investment credit was still the largest component of the general business credit, making up 94.5 percent of the total. The amount of the total general business credit was almost the same for Tax Years 1983 and 1984.

FILING PATTERNS

The number of individual income tax returns filed for Tax Year 1984 reached an all time high of 99.6 million, a 3.4 percent increase over 1983. Use of Forms 1040 and 1040EZ continued to rise, while use of Form 1040A declined (See Figure I).

Figure I.--Number of Returns Filed, 1983 and 1984

[Number of returns in millions]

Type of return	Tax Year		Percentage change
	1983	1984	
Total	96.3	99.6	3.4%
Forms 1040	61.2	66.8	9.2
Forms 1040A	19.5	16.1	-17.2
Forms 1040EZ ...	15.7	16.7	6.5

SUMMARY

Changes reflecting an expanding economy accounted for increases in income from salaries and wages and the corresponding increase in AGI. Economic conditions also influenced growth in interest, business profits, dividends, and capital gains. Another factor contributing to AGI growth was the inclusion of $7.9 billion of social security income, taxed for the first time in 1984. At the same time, the growth in income resulted in an 10.9 percent increase in total income tax. In many respects, 1984 individual tax returns data showed a continuation of trends established in recent years: the proportion of nontaxable returns decreased, and the use of the Form 1040EZ grew.

DEFINITIONS AND TAX LAW CHANGES

In general, the definitions of the terms used here are the same as those shown in the complete report, Individual Income Tax Returns 1983.

Following is a partial list of 1984 tax law and administrative changes that are reflected in the preliminary data in this article. Changes are listed in the same order as the topics are presented in this article.

- Beginning with Tax Year 1984, a percentage of social security benefits (or tier 1 railroad retirement benefits) became taxable. The amount of benefits that had to be included in income was the lesser of half the benefits received for the year or half the excess of the taxpayer's modified AGI over a specified base amount. Modified adjusted gross income was the taxpayer's AGI plus the following:

  1) any tax-exempt interest,

  2) the two-earner married couple deduction,

  3) the foreign earned income exclusion and the foreign housing deduction and

  4) the exclusion for income from U.S. possessions and Puerto Rico.

  The base amount that applied was $25,000 for single persons, $32,000 for married couples filing jointly, $25,000 for married persons filing separately and not living with their spouse, and zero for married persons filing separately and living together.

- Beginning with Tax Year 1984 contributions to IRA's could no longer be made after the due date for filing a return. Previously taxpayers could make contributions to their IRA until the due date for filing their return including any extensions.

- The limit for excluding "reasonable" amounts of employer-provided foreign housing increased by $263 to $6,878 for 1984.

- For Tax Year 1983, taxpayers could only deduct expenditures for prescription and over-the-counter products, including vitamins and minerals recommended by a doctor, greater than 1 percent of their AGI. The 1 percent floor was removed for Tax Year 1984. Offsetting this, starting with 1984 only prescription medicines and drugs and insulin were deductible.

- Before Tax Year 1984, all casualty and theft losses exceeding $100 were combined and only the portion of these losses in excess of 10 percent of AGI was deductible. For Tax Year 1984, casualty and theft gains were netted. The 10 percent casualty loss limitation still applied. However, net casualty and theft gains were treated as capital gains.

- Beginning with Tax Year 1984, taxpayers not itemizing their deductions could deduct up to $75 ($37.50 for married couples filing separately) for charitable contributions. For Tax Years 1982 and 1983, non-itemizing taxpayers could only deduct up to $25 ($12.50 for a married couple not filing a joint return).

- Features from the disability income exclusion and the credit for the elderly were combined into a new credit - the credit for the elderly and permanently and totally disabled. The following individuals qualified for the credit:

    1) taxpayers who were 65 or older, and

    2) taxpayers under 65 receiving taxable disability benefits who were retired on permanent and total disability and who had not reached the age for mandatory retirement. Prior law allowed taxpayers under 65 to claim the credit for the elderly if they received income from a public retirement system. For 1984, these individuals could only take the credit if they met the permanent and total disability requirement.

- Beginning with 1984, the investment credit, jobs credit, alcohol fuels credit, and employee stock ownership credit were combined into the general business credit. Separate limits based on tax liability and individual carryback and carryover provisions no longer applied to each credit. Instead, a single tax limit and carryback and carryover rule applied to the combined business credit.

- The 1984 Tax Table and Tax rate schedules reflected the final annual 10 percent tax cut mandated by the Economic Recovery Tax Act of 1981.

- "Income averaging" changed for Tax Year 1984. The base period was reduced from 4 years to 3. The base period encompasses the years closest to the current tax year. In order to "income average," taxpayers' current-year income had to exceed 140 percent of their average taxable income for the 3-year base period. Previously, taxpayers current income only had to exceed 120 percent of their average base period income.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of individual income tax returns, Forms 1040, 1040A and 1040EZ, filed for Tax Year 1984. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Professions; Schedule F, Profit (or Loss) from Farms; the larger of total income or total loss, and the size of business plus farm receipts. For Tax Year 1984, returns were selected at rates ranging from 0.02 percent to 100 percent. There were 79,797 returns in the 1984 preliminary sample, estimating a total population of 99,604,975. The corresponding sample size and population for the preliminary 1983 data were 104,970 and 96,293,634, respectively. Sample size and population for the final 1983 data, referenced in this article, were 122,997 and 96,563,687, respectively.

Because the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To use properly the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CV's) are used to measure that magnitude.

The following table presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For a number other than those shown, the corresponding CV's can be estimated by interpolation. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of sample estimates based on samples, are discussed in the Appendix.

Number of Returns	Approximate Coefficient of Variation
40,438,600	0.01
10,109,700	0.02
1,617,500	0.05
404,400	0.10
101,100	0.20
44,900	0.30
33,000	0.35
16,200	0.50

These preliminary estimates are subject to several types of nonsampling reporting error. While the estimates are intended to represent the full year's taxpayer reporting, they are actually based on returns filed January through late September 1985. Returns filed after that (which were sampled for use in the revised estimates for the year) tend to have slightly different characteristics than those filed earlier. These characteristics include higher income, a larger proportion of investment income (such as capital gains), a higher average tax liability, and a larger proportion of certain other items such as the alternative minimum tax.

Figure J provides a comparison of preliminary and final data for 1980 through 1983. The items selected include some for which the preliminary estimates are fairly close, and others for which the estimates vary considerably. For instance, for none of those years did the preliminary estimate for AGI differ from the final estimate by more than 0.05 percent, while the preliminary estimate for total minimum tax in 1980 was more than 35 percent lower than the final estimate. Items for which the change between 1983 and 1984 was less than the usual change between preliminary and final data are not discussed.

Figure J.--Comparison of Selected Preliminary and Revised Data, 1980-1983

[Millions of dollars]

Item	Adjusted gross income less deficit (1)	Salaries and wages (2)	Total tax liability (3)	Sales of capital assets net gain less loss (4)	Additional tax for tax preferences (5)	Total itemized deductions (6)
1980						
Preliminary data	$1,606,266	$1,345,004	$254,121	$26,978	$ 934	$214,784
Revised data	1,613,731	1,349,843	256,251	29,660	1,263	218,028
Difference between preliminary and revised data	7,465	4,839	2,130	2,682	329	3,244
Percent change, preliminary and revised data	0.46%	0.36%	0.84%	9.94%	35.22%	1.51
1981						
Preliminary data	$1,779,359	$1,489,234	$292,724	$29,281	$1,617	$255,371
Revised data	1,772,604	1,486,100	291,127	30,819	1,827	256,448
Difference between preliminary and revised data	-6,755	-3,134	-1,597	1,538	210	1,077
Percent change, preliminary and revised data	-0.38%	-0.21%	-0.55%	5.25%	12.99%	0.42
1982						
Preliminary data	$1,847,801	$1,564,594	$283,465	$31,966	$1,311	$284,693
Revised data	1,852,135	1,564,995	284,708	34,404	1,520	284,506
Difference between preliminary and revised data	4,334	401	-1,243	2,438	209	-187
Percent change, preliminary and revised data	0.23%	0.03%	-0.44%	7.63%	15.94%	-0.07
1983						
Preliminary data	$1,950,788	$1,651,744	$283,875	$45,457	$1,939	$307,054
Revised data	1,942,590	1,644,573	282,318	49,408	2,530	309,634
Difference between preliminary and revised data	-8,198	-7,171	-1,557	3,951	591	2,580
Percent change, preliminary and revised data	-0.42%	-0.43%	-0.55%	8.69%	30.48%	0.84

NOTES AND REFERENCES

[1] Preliminary 1984 data are compared with final 1983 data throughout this article. Final 1983 data were derived from a sample of all returns filed during Calendar Year 1984, and preliminary 1984 data were derived from a sample of returns filed January through late September 1985.

[2] Executive Office of the President, Council of Economic Advisers, Economic Report of the President, p. 32. The growth of salaries and wages in AGI was determined by the size of the labor force and increases in salaries and wages. For Tax Year 1984, the former factor predominated.

[3] U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, Vol. 108, No. 9, September 1985, pp. 59 and 71. Also see Vol. 107, No. 8, p. 63.

[4] Holik, Dan and Kozielec, John, "Taxpayers Age 65 or Over, 1977-1981," Statistics of Income Bulletin, Summer 1984, Vol. 4, No. 1, p. 4.

[5] Waits, Norman, "Preliminary Income and Tax Statistics for 1981 Individual Income Tax Returns," Statistics of Income Bulletin, Winter 1982-83, Vol. 2, No. 3, p. 3.

Additional tables presenting preliminary data for 1984 will be included in the Spring 1986 issue of the SOI Bulletin.

Corporation Income Tax Returns, Preliminary Data, 1983

By Karen Gutmann*

Preliminary data from U.S. corporate tax returns for 1983 reflect a period of U.S. economic growth [1]. Improving business conditions pushed total corporate receipts from operations and investments up 1.1 percent. Costs and other deductible expenses increased by only 0.6 percent, resulting in a sharp increase in total net income (less deficit) of 20.9 percent over 1982. This article discusses significant changes in data between the 1982 and 1983 income years. Data will be compared for the number of returns filed as well as for the major components of the tax return: the income statement, the balance sheet, income tax assessed and tax credits claimed. A discussion of the data sources and limitations follows the text, and tables present detailed tax return data by industrial division and for the corporate population as a whole.

NUMBER OF RETURNS

There has been a slowdown in the number of corporation income tax returns filed in recent years. An estimated 3 million income tax returns of active corporations were filed for 1983, an increase of 2.5 percent over 1982. The average rate of growth for 1981, 1982 and 1983 was only slightly more than half that of the 4 preceding years (Figure A). The latter period saw a sharp slowdown in the chartering of new corporations, as well as a significant increase in the number of business failures [2]. In addition, a small contributing factor may be the continuing growth in the number of mergers and acquisitions of U.S. corporations. A recovering economy makes more cash and credit available to finance consolidation. In 1983, the number of completed mergers and acquisitions involving only U.S. companies (where a U.S.-owned corporation is purchased by or merged into another U.S.-owned corporation) rose 8.0 percent [3].

Figure A - Growth Rate of Returns Filed

Income Year	Number of returns	Percent change from previous year
1977	2,241,887	7.7%
1978	2,376,779	6.0
1979	2,556,794	7.6
1980	2,710,538	6.0
1981	2,812,420	3.8
1982	2,925,933	4.0
1983 (preliminary)	2,999,182	2.5

INCOME STATEMENT

A 21 percent rise in corporate profits for 1983 reversed the downward trend that began with 1980. Figure B shows the movement of undistributed after-tax profits from 1978 to 1983 as well as other components of corporate cash flow [4]. It is noteworthy that deductions for non-cash expenses offset a net after-tax loss such that corporations still experienced a reasonably stable positive cash flow for 1982.

Despite the increase, however, net income was still almost $27 billion below the 1981 level, part of which is due to larger depreciation deductions allowed after the 1981 enactment of the Economic Recovery Tax Act (ERTA). As the recovering economy renewed demand for goods and services, business receipts rose nearly $150 billion, an increase of 2.4 percent. Interest income, on the other hand, decreased by approximately $23 billion. This decrease was to be expected, with the average prime rate charged by banks on loans continuing its decline from a record 18.9 percent in 1981 to 14.9 percent in 1982 and 10.8 percent in 1983 [5].

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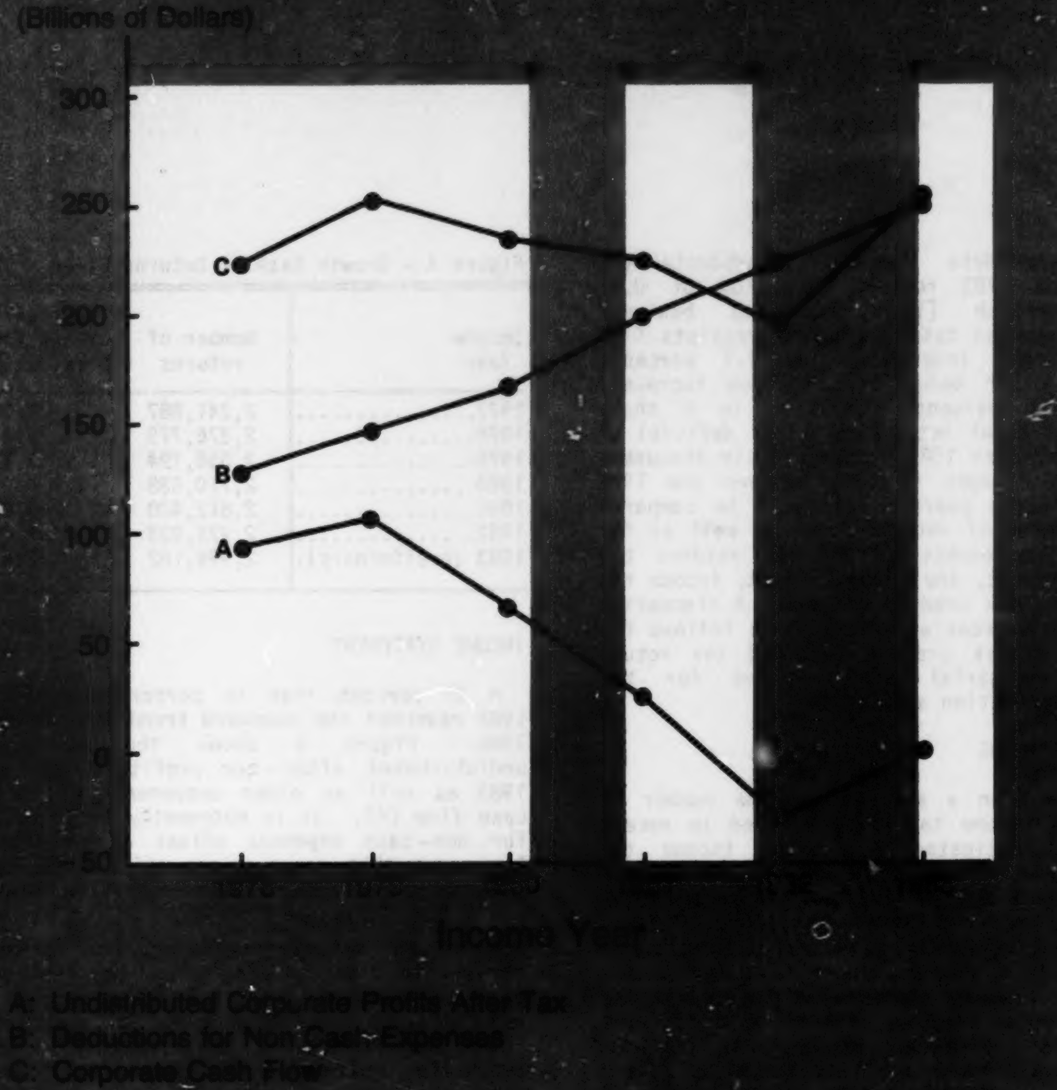
Figure B.
Corporate Profits and Cash Flow, Returns of Active Corporations, 1978-1983



Note: Business cycle peaks (P) and troughs (T) are turning points in economic activity, as designated by the National Bureau of Economic Research, Inc.
Shaded areas represent recessions.

Also attributable in part to lower interest rates was a significant decrease to interest paid as a deductible expense. This item declined by $42 billion between 1982 and 1983, an 8.2 percent drop. At the same time, the Accelerated Cost Recovery System for depreciation (ACRS), introduced by ERTA and modified in 1982, continued to exert a downward pressure on the net income computed for tax purposes by contributing to a depreciation deduction that was $27 billion higher for 1983 than for 1982 [6]. Corporate cost of sales and operations and deductions for compensation paid to corporate officers together increased $24 billion. In combination, the lower interest write-off offset these changes such that total corporate deductible expenses rose only 0.6 percent.

While profits rose sharply overall, the change to net income varied widely by industrial activity. Figure C shows that significant growth in net income for the three largest industry groupings (manufacturing, trade and finance) offset the decline in net income experienced in all but one of the remaining five.

BALANCE SHEET

For the first time, total assets as reported on tax returns passed the $10 trillion mark, an increase of nearly $800 billion over 1982. This 8.5 percent increase was smaller than the 9.4 percent increase of the previous year. "Other current liabilities" contributed the most change to corporate debt with an increase of nearly $280 billion. Ninety percent of this rise came from banks and credit institutions which typically include deposits and withdrawable shares in this category.

Assets rose by a greater amount than did liabilities, thus increasing stockholders' equity. As business activity accelerated in 1983, corporate receivables grew by nearly $250 billion, accounting for a large portion of asset growth. More than 70 percent of receivables growth was in the finance industries, indicating an increase in business and consumer indebtedness. Spurred on by accelerated depreciation and the more generous investment credit provisions allowed by ERTA, corporations continued to add to their physical capital. This is reflected in the net increase in depreciable assets of nearly $140 billion.

Another asset item of interest is inventories. In 1983, ending inventories rose 2.7 percent after a 1.2 percent decline in 1982. Figure D shows inventory change for corporations engaged primarily in manufacturing and trade. These two activities together accounted for 84.6 percent of total ending inventories in 1983. In the recessionary period that ended in late 1982, declining sales meant that corporations were unable to move current inventory and, accordingly, they reduced their purchases of new inventory. Between 1981 and 1982, both inventories and business receipts decreased by about the same percentage. With the onset of the recovery in early 1983, current inventory was depleted, spurring new inventory purchases. As a result of an encouraging economic outlook, inventory growth began to outpace somewhat that of sales between 1982 and 1983.

Corporate debt as a percentage of total assets rose slightly from 73.6 to 74.1 percent, reversing a decline begun in 1981 when the debt ratio fell to 73.7 percent from the 1980 level of 75.0. The debt ratio measures the

Figure C - Net Income (Less Deficit), 1982 and 1983
[Millions of dollars]

Industrial division	1982	1983 (preliminary)	Percent change
	(1)	(2)	(3)
All industries[1]	$154,334.1	$186,640.7	20.9%
Agriculture, forestry and fishing	-86.4	-197.9	-129.0
Mining	543.6	-1,538.8	-383.1
Construction	2,324.0	2,256.3	-2.9
Manufacturing	75,791.3	94,814.5	25.1
Transportation and public utilities	18,336.0	19,476.8	6.2
Wholesale and retail trade	28,442.7	34,984.8	23.0
Finance, insurance and real estate	21,804.1	31,557.5	44.7
Services	7,199.3	6,087.6	-15.4

[1] Includes "nature of business not allocable," which was not shown separately.

NOTE: Detail may not add to total because of rounding.

Figure D.--Change in Inventories, 1982 to 1983
[Billions of dollars]

Industry	Ending inventories		
	1982	1983	Percent change
	(1)	(2)	(3)
All industries....	$581.2	$596.7	2.7%
Manufacturing........	274.6	268.6	-2.2
Wholesale and retail trade........	214.8	236.5	10.1

percentage of total funds provided by creditors. Generally, a lower debt ratio is considered desirable since the lower the ratio, the more easily a company would be able to absorb decreases to net income. Another important financial ratio is the current ratio, which is computed by dividing current assets by current liabilities. This ratio indicates the ability of corporations to cover short-term debts. For 1982 and 1983, the ratio of current assets to current liabilities remained nearly constant at just less than 1:1 [7].

INCOME TAX AND TAX CREDITS

For 1983, income tax (before credits) rose 5.6 percent to almost $90 billion in contrast to the 15.5 percent decrease recorded for 1982. Total income tax credits increased by only 1 percent. The combined effect of these two factors was a 9.4 percent increase in Federal income tax after credits. Despite the increase in income tax liability, after-tax corporate profits increased approximately 26 percent.

The method for computing corporate income tax remained essentially the same as in recent years. The regular corporate tax rate was 46 percent of taxable income above $100,000. The first $100,000 of taxable income was taxed as follows:

$25,000 or less at 15 percent;
$25,001 to $50,000 at 18 percent;
$50,001 to $75,000 at 30 percent; and
$75,001 to $100,000 at 40 percent.

As in previous years, when corporations reported net long-term capital gains, they had the option of using the regular method described above or an alternative method, whichever produced the lesser amount of tax owed. The alternative method pulled net long-term capital gains out of taxable income and taxed them separately at a special rate of 28 percent. The rest of taxable income was taxed at the rates stated above. Income tax credits were applied against the corporation's regular or alternative tax. Additional tax from recomputing prior-year investment credit, additional tax from tax preferences and the personal holding company tax were not reduced by these credits.

ERTA allowed corporations to take a credit based on contributions to an employee stock ownership plan, effective for tax years ending after 1982. This new credit reduced regular and alternative tax by nearly $900 million for 1983. The jobs and research activities credits increased at significant rates, but the absolute increases involved were relatively small ($117 million and $431 million, respectively). Investment credit, one of the largest single credits, decreased by $1.4 billion continuing a decline begun in 1982. However, an $800 million increase in the largest credit, the foreign tax credit, as well as increases to all but one of the other credits, largely offset this drop.

SUMMARY

The economic recovery begun in 1983 sharply reversed the downward trend in corporate income and profits that began in 1979. The 21 percent rise in total net income and improvements in indicators of corporate financial strength are signs of a recovering economy. However, immediate response to the economic turnaround of 1983 varied widely by industry, with corporations involved in manufacturing, trade and finance showing the greatest improvements. As corporate profits rose, total corporate income tax increased more than 9 percent.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of the following types of corporation income tax returns: Form 1120--U.S. Corporation Income Tax Return; Form 1120L--U.S. Life Insurance Company Income Tax Return; Form 1120M--U.S. Mutual Insurance Company Income Tax Return; Form 1120S--U.S. Small Business Corporation Income Tax Return; Form 1120F--Return of a Foreign Corporation; and Form 1120-DISC--Domestic International Sales Corporation Return. The sample was selected after revenue processing but before audit. Both 1982 and 1983 returns were generally stratified using net income or loss, total assets and business activity. For Tax Year 1983, returns of corporations with accounting periods ended July 1983 through June 1984 were selected at rates ranging from 0.35 to 100 percent. There were 90,191 returns in the 1983 preliminary sample, estimating a total population of 2,999,182. The corresponding sample size and population for the preliminary 1982 data were 93,668 and 2,925,939, respectively. Sample size and population for the revised 1982 data referred to in this article were 93,675 and 2,925,933, respectively.

Because the data presented in this article are estimates based on a sample, they are subject to sampling error. To use the data properly, the magnitude of the sampling error should be known. Coefficients of variation are used to measure that magnitude.

The following table presents approximate coefficients of variation for frequency estimates. The coefficients of variation shown here are intended only as a general indication of the data reliability. For numbers of corporations other than those shown below, the corresponding coefficients of variation can be estimated by interpolation. The reliability and use of estimates based on samples and the use of coefficients of variation for evaluating the precision of sample estimates are discussed in the Appendix.

Estimated number of returns	Approximate coefficient of variation
1,000,000	0.02
160,000	0.05
40,000	0.10
10,000	0.20
4,500	0.30
3,300	0.35
1,600	0.50

The preliminary estimates used in this article are also subject to nonsampling error. Preliminary data were drawn from sampled returns processed through December 1985. Returns processed after this date will be reflected in the final statistics to be published later in 1986. In addition, as this article goes to print, a thorough review of the data is in process. Errors will be uncovered and corrected during this review, but the corrections cannot be generalized to predict the differences between the complete data and this preliminary report. Although added returns from late corporate filers will tend to increase aggregate amounts, corrections made in review may cause either a net increase or decrease in individual items. Figure E illustrates the changes between key preliminary and revised data for the 1982 Statistics of Income report, but these figures should be used with caution because of the anomalies discussed above.

NOTES AND REFERENCES

[1] The estimates in this report are based on data from returns with accounting periods ending from July 1983 through June 1984. This span, in effect, defines the income year such that noncalendar year accounting periods are centered on the calendar year ended December.

[2] Executive Office of the President, Council of Economic Advisers, Economic Report of the President, February 1985, p. 337.

Figure E --Returns of Active Corporations: Comparison of Selected 1982 Preliminary and Final Estimates
[Millions of dollars]

Item	1982 preliminary data (1)	1982 final data (2)	Difference (3)	Percent difference 1982 preliminary and final data (4)
Total assets	$9,337,313	$9,357,785	+$20,472	+0.22%
Depreciable assets	2,580,236	2,583,060	+2,824	+0.11
Business receipts	6,147,176	6,156,994	+9,818	+0.16
Depreciation deduction	212,857	213,179	+322	+0.15
Net income (less deficit)	151,127	154,334	+3,207	+2.12
Income subject to tax	205,035	205,175	+140	+0.07
Income tax before credits	85,002	85,078	+76	+0.09
Income tax credits, total	39,660	39,694	+34	+0.09

[3] The number of completed domestic mergers rose from 1,960 in 1982 to 2,125 in 1983. The Hay Group, Information for Industry, Mergers and Acquisitions, The Journal of Corporate Venture, 1984 Almanac and Index, pp. 5-6.

[4] The amounts in Figure B were computed as follows:

A: Undistributed corporate profits after tax equals net income (less deficit), minus income tax after credits, plus foreign tax credits, minus cash distributions to stockholders. Foreign tax credits are based on tax paid to foreign countries. Since foreign income and taxes are not included in this computation, neither are foreign tax credits. Cash distributions to stockholders are reported from the corporations' book accounts on Schedule M-2 of the tax return. Corporations which show a net loss on their tax return may show a net gain on their book and may pay dividends.

B: Deductions for non-cash expense equals the sum of the deductions fo depreciation, depletion and amortization.

C: Corporate cash flow equals undistributed corporate profits after tax plu deductions for non-cash expenses (A + B).

[5] Executive Office of the President, Counci of Economic Advisers, Economic Report o the President, February 1984, pp. 298-299.

[6] See Johns, Max, "Accelerated Cost Recover System, 1981: A Reading on the Initial Impact," Statistics of Income and Relate Administrative Record Research: 1984, October 1984, pp. 71-77.

[7] For more detailed financial ratios using tax data, see Troy, Leo, Almanac of Business and Industrial Financial Ratios, 1978 through 1985 editions.

Table 1.--Returns of Active Corporations: Selected Items by Industrial Division, 1983 Preliminary Data

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1982	1983 Preliminary	Percent Change
	(1)	(2)	(3)
All Industries[1]			
Number of returns	2,925,933	2,999,182	2.5
Total assets	9,357,784,804	10,156,377,797	8.5
Total receipts	7,024,097,766	7,098,621,182	1.1
Business receipts	6,156,994,009	6,303,043,003	2.4
Net income (less deficit)	154,334,143	186,640,724	20.9
Income subject to tax	205,175,407	217,006,471	5.8
Income tax before credits	85,077,493	89,802,226	5.6
Income tax after credits[2]	47,071,799	51,421,975	9.2
Agriculture, forestry and fishing			
Number of returns	91,320	92,154	0.9
Total assets	50,409,537	50,218,935	-0.4
Total receipts	65,356,911	59,103,515	-10.0
Business receipts	60,643,550	55,008,884	-9.3
Net income (less deficit)	-86,418	-197,924	-129.0
Income subject to tax	1,604,445	1,464,070	-8.7
Income tax before credits	490,228	417,388	-14.9
Income tax after credits[2]	375,348	312,484	-16.7
Mining			
Number of returns	36,676	36,999	0.9
Total assets	192,380,473	193,040,341	0.3
Total receipts	203,098,557	131,936,756	-35.0
Business receipts	191,152,749	122,091,351	-36.1
Net income (less deficit)	543,578	-1,538,758	-383.1
Income subject to tax	7,319,683	4,608,875	-37.0
Income tax before credits	3,203,406	1,974,829	-38.4
Income tax after credits[2]	1,044,031	714,633	-31.6
Construction			
Number of returns	282,345	283,344	0.4
Total assets	153,085,046	160,919,019	5.1
Total receipts	281,747,868	290,108,368	3.0
Business receipts	271,633,721	280,230,939	3.2
Net income (less deficit)	2,323,952	2,256,274	-2.9
Income subject to tax	5,973,416	5,486,120	-8.2
Income tax before credits	2,069,718	1,788,973	-13.6
Income tax after credits[2]	1,583,063	1,385,540	-12.5
Manufacturing			
Number of returns	259,106	261,818	1.0
Total assets	2,060,710,683	2,223,229,574	7.9
Total receipts	2,488,331,915	2,530,955,902	1.7
Business receipts	2,357,973,059	2,396,538,375	1.6
Net income (less deficit)	75,791,264	94,814,467	25.1
Income subject to tax	102,157,505	112,901,621	10.5
Income tax before credits	45,015,096	49,857,937	10.8
Income tax after credits[2]	21,625,905	24,718,845	14.3

Table 1.--Returns of Active Corporations: Selected Items by Industrial Division, 1983 Preliminary Data--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	1982	1983 Preliminary	Percent Change
	(1)	(2)	(3)
Transportation and public utilities			
Number of returns	115,470	122,551	6.1
Total assets	919,861,069	998,290,736	8.5
Total receipts	632,294,442	656,842,704	3.9
Business receipts	606,039,657	627,292,051	3.5
Net income (less deficit)	18,335,959	19,476,807	6.2
Income subject to tax	25,955,886	25,580,815	-1.4
Income tax before credits	11,356,073	11,287,931	-0.6
Income tax after credits[2]	4,918,681	5,411,853	10.0
Wholesale and retail trade			
Number of returns	839,547	851,951	1.5
Total assets	753,351,132	799,939,532	6.2
Total receipts	2,017,701,364	2,110,203,691	4.6
Business receipts	1,972,305,356	2,062,267,205	4.6
Net income (less deficit)	28,442,678	34,984,828	23.0
Income subject to tax	30,107,072	33,249,446	10.4
Income tax before credits	11,372,087	12,614,904	10.9
Income tax after credits[2]	9,385,787	10,551,382	12.4
Finance, insurance, and real estate			
Number of returns	461,630	479,501	3.9
Total assets	4,987,466,401	5,460,978,707	9.5
Total receipts	949,867,877	900,133,315	-5.2
Business receipts	337,493,098	362,219,037	7.3
Net income (less deficit)	21,804,088	31,557,470	44.7
Income subject to tax	19,973,233	22,406,865	12.2
Income tax before credits	7,643,631	8,334,625	9.0
Income tax after credits[2]	5,485,777	5,667,118	3.3
Services			
Number of returns	819,706	848,829	3.6
Total assets	237,876,895	269,350,718	13.2
Total receipts	380,767,394	416,009,599	9.3
Business receipts	355,090,610	391,617,540	10.3
Net income (less deficit)	7,199,258	6,087,564	-15.4
Income subject to tax	11,941,166	11,794,121	-5.7
Income tax before credits	3,885,618	3,665,426	-5.7
Income tax after credits[2]	2,617,453	2,665,404	1.8

[1] Includes "nature of business not allocable," which was not shown separately.

[2] Income tax after credits is computed as follows: Income tax before credits less total tax credits, plus additional taxes for investment credit recapture and minimum tax.

NOTE: Detail may not add to total because of rounding.

Table 2.--Returns of Active Corporations: Balance Sheet, Income Statement, Tax, and Credit Items, 1982 and 1983 (Preliminary)

[All figures are estimates based on samples--money amounts are in thousands of dollars]

	Item	1982 (1)	1983 Preliminary (2)	Percent change 1982 to 1983 (3)
1	Number of returns	2,925,933	2,999,182	2.5
2	Total assets	9,357,784,804	10,156,377,797	8.5
3	Cash	540,903,600	590,463,551	9.2
4	Notes and accounts receivable	2,420,475,398	2,662,723,763	10.0
5	Less: Allowance for bad debts	46,645,987	50,898,922	9.1
6	Inventories	581,241,455	596,712,953	2.7
7	Investments in Government obligations, total[1]	605,513,662	679,046,104	12.1
8	Other current assets	436,507,859	425,953,279	-2.4
9	Loans to stockholders	38,304,326	47,880,279	25.0
10	Mortgage and real estate	942,428,269	980,115,442	4.0
11	Other investments	1,604,730,616	1,794,157,159	11.8
12	Depreciable assets	2,583,060,326	2,719,893,488	5.3
13	Less: Accumulated depreciation	942,704,683	1,020,709,911	8.3
14	Depletable assets	94,637,768	108,229,391	14.4
15	Less: Accumulated depletion	29,442,570	32,825,691	11.5
16	Land	110,318,941	118,831,605	7.7
17	Intangible assets (amortizable)	81,178,989	87,366,441	7.6
18	Less: Accumulated amortization	24,869,273	24,959,000	0.4
19	Other assets	362,146,111	474,397,869	31.0
20	Total liabilities and net worth	9,357,784,804	10,156,377,797	8.5
21	Accounts payable	678,630,282	658,292,750	-3.0
22	Mortgages, notes, and bonds payable in less than one year	667,060,956	756,408,956	13.4
23	Other current liabilities	3,220,923,530	3,499,858,998	8.7
24	Loans from stockholders	117,424,462	130,157,946	10.8
25	Mortgages, notes, and bonds payable in one year or more	1,224,277,725	1,318,711,255	7.7
26	Other liabilities	979,894,871	1,158,862,277	18.3
27	Capital stock	658,259,634	785,968,507	19.4
28	Paid-in or capital surplus	782,269,156	870,384,560	11.3
29	Retained earnings, appropriated	54,727,615	52,670,222	-3.8
30	Retained earnings, unappropriated	1,173,094,293	1,214,409,168	3.5
31	Less: Cost of treasury stock	198,777,714	289,346,839	45.6
32	Total receipts	7,024,097,766	7,098,621,182	1.1
33	Business receipts	6,156,994,009	6,303,043,003	2.4
34	Interest on Government obligations: State and local	14,124,877	16,631,821	17.7
35	Other interest	515,628,874	492,401,824	-4.5
36	Rents	69,614,109	69,388,063	-0.3
37	Royalties	13,473,404	13,820,138	2.6
38	Net short-term capital gain reduced by net long-term capital loss	2,882,207	5,033,196	74.6
39	Net long-term capital gain reduced by net short-term capital loss	26,318,184	33,327,922	26.6
40	Net gain, noncapital assets	20,992,023	25,991,002	23.8
41	Dividends received from domestic corporations	18,155,559	19,624,947	8.1
42	Dividends received from foreign corporations	13,950,906	14,173,440	1.6
43	Other receipts	171,999,616	103,149,031	-40.0
44	Total deductions	6,869,267,462	6,910,246,197	0.6
45	Cost of sales and operations	4,270,850,310	4,283,308,833	0.3

Table 2.--Returns of Active Corporations: Balance Sheet, Income Statement, Tax, and Credit Items, 1982 and 1983 (Preliminary)--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

	Item	1982	1983 Preliminary	Percent change 1982 to 1983
		(1)	(2)	(3)
	Total receipts (continued)			
46	Compensation of officers	129,481,025	140,954,711	8.9
47	Repairs	72,524,061	74,452,237	2.7
48	Bad debts	26,690,963	30,407,762	13.9
49	Rent paid on business property	94,917,540	104,361,065	9.9
50	Taxes paid	165,888,353	172,712,924	4.1
51	Interest paid	515,032,667	473,061,575	-8.2
52	Contributions or gifts	2,906,476	3,538,892	21.8
53	Amortization	3,784,654	4,493,831	18.7
54	Depreciation	213,179,160	240,591,603	12.9
55	Depletion	7,021,176	7,556,992	7.6
56	Advertising	64,987,632	72,067,521	10.9
57	Pension, profit-sharing, stock bonus, and annuity plans	54,232,011	54,001,098	-0.4
58	Employee benefit programs	51,838,884	58,662,414	13.2
59	Net loss, noncapital assets	10,367,020	7,566,330	-27.0
60	Other deductions	1,185,565,538	1,182,508,415	-0.3
61	Total receipts less total deductions	154,830,304	188,374,986	21.7
62	Constructive taxable income from related foreign corporations	13,628,716	14,897,558	9.3
63	Net income (less deficit), total	154,334,143	186,640,724	20.9
64	Net income	274,352,942	294,957,060	7.5
65	Deficit	120,018,799	108,316,336	-9.8
66	Statutory special deductions, total	19,527,353	27,367,240	40.1
67	Net operating loss deduction	11,385,921	18,092,563	59.3
68	Dividends-received deduction	8,105,493	9,232,629	13.9
69	Public utility dividends-paid deduction	35,939	42,048	17.0
70	Income subject to tax, total	205,175,407	217,006,471	5.8
71	Net long-term capital gain taxed at alternative rates	12,025,442	13,973,999	16.2
72	Income tax before credits[2]	85,077,493	89,802,226	5.6
73	Tax credits, total[3]	39,665,225	40,110,177	1.1
74	Foreign tax credit	19,137,201	19,943,868	4.2
75	U.S. possessions tax credit [4]	2,026,980	1,599,820	-21.1
76	Investment credit	17,312,702	15,912,964	-8.1
77	Jobs credit	327,285	444,235	35.7
78	Research credit	839,220	1,270,588	51.4
79	Employee stock ownership credit	14,450	898,711	6,119.5
80	Income tax after credits	45,412,268	49,692,049	9.4
81	Tax from recomputing prior-year investment credit	1,181,074	1,169,849	-1.0
82	Additional tax for tax preferences	478,457	560,077	17.1
83	Personal holding company tax	6,802	6,182	-9.1
84	Total income tax after credits[5]	47,078,601	51,428,157	9.2
	Distributions to stockholders:			
85	Cash and property except in own stock	132,478,411	129,005,634	-2.6
86	Corporation's own stock	3,642,024	4,779,636	31.2

[1] Includes all investments in United States, State and local government obligations.

[2] Consists of regular and alternative tax.

[3] Includes $600,000 and $7,005,000 of alcohol fuel credit and $6,787,000 and $32,980,000 of nonconventional source fuel credit for 1982 and 1983, respectively.

[4] The 1983 preliminary amount for this item is significantly understated because of returns that are to be added. More accurate data will be available in the Spring 1986 issue of the Statistics of Income Bulletin.

[5] Total income tax after credits is computed as follows: Income tax before credits less total tax credits, plus additional tax for tax preferences, tax from recomputing prior-year investment credit and personal holding company tax.

NOTE: Detail may not add to total because of rounding.

Nonprofit Charitable Organizations, 1982

By Laura M. Heuchan*

In 1982, nonprofit charitable organizations reported total revenues of $196.3 billion, 21 percent of which was obtained from contributions, gifts, and grants. Total expenditures were $181.3 billion, with direct spending for charitable services accounting for 84 percent of that total. They collected fees for services (program service revenue) covering 82 percent of program expenses. These fees were supplemented by other sources of income, such as contributions and investment earnings.

"Nonprofit charitable organizations" refer to all organizations exempt under Internal Revenue Code (IRC) 501(c)(3), excluding private foundations. In 1982, of 264,890 organizations recognized by the Internal Revenue Service as nonprofit charities, there were only an estimated 75,738 required filers. The population of nonprofit charitable organizations required to file annual information returns (Form 990) has decreased since 1975 [1]. Nonetheless, the value of total asset holdings has increased by $171.1 billion since 1975 for a current dollar increase of 158 percent. A similar growth in revenues and expenses is evident, as shown in Figure A [2].

There are numerous explanations for the simultaneous drop in the population of filers and the marked growth in the aggregate statistics. The primary reasons for the drop in filers are the changes in filing requirements between 1975 and 1982. In 1975, an organization was granted an exemption from filing if its gross receipts were less than $5,000; this level was raised to $10,000 in 1976 and to $25,000 in 1982. A characteristic of the sector has always been the concentration of financial resources among a small number of organizations. For example, 6 percent of all nonprofit charitable organizations controlled 81 percent of total assets in 1982. An uneven distribution of resources across organizations was further evidenced by the concentration of 75 percent of revenues in 4 percent of the institutions. In addition, 6 percent of the organizations were responsible for 74 percent of total expenditures. With respect to assets, revenue, and expenses, the controlling organizations were in the top bracket and were predominantly educational institutions and health service providers as shown in Figures B and C. Any significant growth or shrinkage affecting the very large organizations would have had a pronounced effect on aggregate statistics. Reduced Federal spending for nondefense goods may have been a factor in this growth since this may have resulted in unmet demand for services such as health care and education [3]. The cutback in spending for health and education may have stimulated growth in the nonprofit sector, especially in the larger hospitals and schools, to fill this gap. Additionally, the percentage of persons below the poverty level rose from 12.3 percent in 1975 to 15.0 percent in 1982, and the possible increase in need from this portion of the population for charitable goods and services may have influenced the level of charitable activity provided by exempt organizations [4].

Figure A.--Nonprofit Charitable Organizations, 1975 and 1982

[Money amounts are in billions of dollars]

Item	1975	1982
Number of returns	82,048	75,738
Total assets	$108.5	$279.6
Total revenue	65.5	196.3
Contributions, gifts, and grants	17.1	41.3
Dues and assessments	1.5	2.5
Program service revenue	n.a.	124.4
Total expenses	62.6	181.3
Program service expenses	36.8	151.7
Fundraising expenses	1.4	1.7
Management and general expenses	n.a.	27.4

n.a. Not available.
For more detail, see Table 1.
Source: For 1975, data are from Statistics of Income Bulletin, Fall 1981, p. 10.

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*Foreign Special Projects Section. Prepared under the direction of Michael Alexander, Chief.

Figure B

Top Ten 501(c)(3) Organizations Ranked by Total Revenue, 1982

[Money amounts are in millions]

Name	Total Revenue
College Retirement Equities Fund	$4,631
Teachers Insurance and Annuity Association of America	3,251
Kaiser Foundation Health Plan	2,116
Harvard College	1,342
Kaiser Foundation Hospitals	1,123
University of Chicago	745
American National Red Cross	722
Sisters of Mercy Health Corporation	719
Massachusetts Institute of Technology	692
Stanford University	684

Figure C

Top Ten 501(c)(3) Organizations Ranked by Total Assets, 1982

[Money amounts are in millions]

Name	Total Assets
Teachers Insurance and Annuity Association of America	$13,519
College Retirement Equities Fund	12,821
Harvard College	3,326
Yale University	1,836
Stanford University	1,727
Princeton University	1,415
Shriners Hospital for Crippled Children	1,273
University of Rochester	1,127
University of Chicago	1,068
Duke University	986

PROVISIONS OF IRC 501(c)(3)

Organizations tax exempt under IRC 501(c)(3) pursue diverse activities that further their exempt purpose. They exist in many sectors of the economy. IRC 501(c)(3) status is typically granted based on an entity being organized for purposes that are religious, charitable, scientific, educational, testing for public safety, etc. Charitable means that the services provided by the organization are pro bono publico (for the public benefit). The granting of exempt status is based solely on an organization's charitable purpose. Activities engaged in are restricted only in that they must be substantially related to the exempt purpose and they must serve public interests as opposed to private. There is also a stipulation that net earnings may not flow to a private shareholder or individual, and there are restrictions on activities to influence legislation.

Numerous benefits accrue to organizations that obtain 501(c)(3) status. Among the inducements for seeking this classification are the exemption from Federal income tax on income earned while pursuing an exempt purpose, the exemption from most state and local income and real estate taxes, the exemption from the federal unemployment tax, the selective exemption from excise taxes, and significantly reduced postage rates. The flow of private funds to these organizations is promoted by the statute allowing contributions to be deducted in calculating the taxable income of the donor. For instance, the 1982 law allowed up to 50 percent of an individual's adjusted gross income as a charitable deduction. Federal corporate, gift, fiduciary, and estate tax laws also allow charitable contribution deductions.

Along with other tax-exempt organizations, charitable organizations are subject to the unrelated business income tax on net profits from regularly carried on business operations that are not substantially related to their exempt charitable purposes.

Definition and Growth of the Nonprofit Charitable Sector

The supply of, and demand for, philanthropic goods and services are usually discussed in terms of incentives or motives that influence giving as well as the purpose of the giving. It is generally accepted that at least one component in philanthropic giving is altruism and that the purpose of philanthropy is the provision of some collective or public good [5]. In this context, altruism exists when there is not an expectation of an immediate quid pro quo (one thing in return for another) to the individual giver. The providers of philanthropic goods and services function in all three sectors of the economy: the business sector, the government sector, and the nonprofit sector.

The Internal Revenue Code (IRC) divides nonprofit organizations into 23 groups, of which a number may receive tax-deductible charitable donations. The organizations exempt from income tax under IRC 501(c)(3) receive the largest part of tax-deductible donations; and they are the main suppliers of philanthropic goods and services. The data described here reflect only 501(c)(3) charitable organizations, excluding private foundations. For 1975, when all nonprofit organizations were measured, 501(c)(3) organizations (excluding private foundations) represented 37 percent of the total. (In general, private foundations act as conduits for philanthropic funds, whereas nonprofit charitable organizations actually provide charitable goods and services.)

Charitable organizations must file on Form 990 if they have gross receipts more than

$25,000 (religious organizations are not required to file). They are diverse in scale of financial activity as well as in scope of purpose. They include hospitals, universities, research institutes, art museums and other charitable organizations. While the estimates presented here do not include most religious organizations or those organizations not required to file, they do cover the largest part of charitable activity with respect to asset holdings and revenues.

Growth of nonprofit charitable organizations both absolutely and relatively is shown in Figure D.

Total revenue and expenditures grew faster than total assets, which means nonprofit charities have expanded their charitable activity rather than added to capital assets. Revenue and expenditures all grew faster than GNP (see Figure D). Charitable activity rose much faster than per capita income.

The growth of the nonprofit charitable sector as indicated by the percentage increases shown in Figure D could reflect the increasing shift of the overall economy from a manufacturing to a service industry base. Service industries such as education, health services, and social services are relatively labor intensive and are the dominant activities within the charitable sector (see Figures H and I). With the service industry assuming a larger role in the U.S. economy relative to manufacturing and agriculture, it is reasonable that charitable activity would experience growth [8].

Historical Trends and Perception of Charitable Activity Up to 1982

Government policy toward philanthropy represents public sentiment as expressed through the legislative process. Growth of the sector has been stimulated by favorable legislation.

Traditionally, from the earliest days of this country, religious and educational institutions have been exempt from property taxation. When Federal income tax laws were adopted in 1894 (subsequently declared unconstitutional in 1895), organizations pursuing charitable, religious or educational purposes were granted exempt status. The Sixteenth Amendment to the Constitution allowed the first constitutional income tax law in 1913 and contained the rudiments of IRC 501(c)(3).

The provision for an income tax deduction for charitable contributions by individuals was initiated in 1917, and estate tax deductions for bequests to charitable organizations were authorized in 1919. Charitable deductions for corporations were allowed beginning in 1935. Aside from provisions regarding charitable organizations engaged in business activities, the thrust of legislation has generally been to encourage the development of exempt organizations.

Charitable organizations receive direct and indirect subsidies from government. Direct government grants received in 1982 were $19.2 billion, or 46 percent of total contributions. This illustrates the tradition of partnership

Figure D.--Nonprofit Charitable Organizations, 1975 and 1982: Alternative Measures of Sector Change

[Money amounts are in billions of dollars]

Type of measure	1975 (1)	1982 (2)	Percentage Change (3)
Total revenues (in 1972 constant dollars)	$52.1	$ 94.9	+82.1%
Total assets (in 1972 constant dollars)	86.2	135.1	+56.7
Total expenditures (in 1972 constant dollars)	49.8	87.6	+75.9
Total revenues divided by GNP	4.2%	6.3%	+50.0
Total expenditures divided by GNP	4.0%	5.9%	+47.5
Total revenues per capita divided by per capita income	5.9%	9.0%	+52.5
Total expenditures per capita divided by per capita income	5.6%	8.3%	+48.2
Total revenues divided by revenues of business entities	1.8%	2.5%	+38.9
Total assets divided by assets of business entities	2.0%	3.0%	+50.0
Total expenditures divided by expenditures of business entities	2.0%	2.0%	0.0

NOTE: Revenue, assets, and expenditures were converted into 1972 dollars using the GNP price deflator. Per capita income is equal to GNP divided by U.S. population. Business entities include corporations, nonfarm partnerships and nonfarm sole proprietorships [6] [7].
Source: Business entity data are from U.S. Treasury Department, Internal Revenue Service, Statistics of Income Division, published and unpublished tables. GNP price deflator is from U.S. Council of Economic Advisers, Economic Report of the President, February 1984, p. 224. U.S. population data are from U.S. Bureau of the Census, Current Population Reports, Series P-25, and unpublished data.

between government and nonprofit organizations in supplying public goods and services [9]. Indirect subsidies come in the form of exemption from various taxes and in the tax expenditure for the deduction of contributions from income taxed to the donor [10]. Tax expenditures exist that benefit individuals and corporate entities as well as nonprofit organizations (e.g. deductibility of home mortgage interest expense). Tax expenditures are expressed in terms of outlay equivalent (i.e., the amount required to produce the equivalent of the benefits derived from the tax expenditure) and in terms of the revenue loss to the government [11]. Figure E shows tax expenditures for the deductibility of charitable contributions in 1982. Figure F, with details of contributions as reported on tax returns for 1982, presents the source of the tax expenditures.

Figure E.--Tax Expenditures for Deduction of Charitable Contributions, 1982 1/ [12]

[Money amounts are in millions of dollars]

Type of deduction	Outlay equivalent	Revenue loss
Deductibility of charitable contributions (education)	$830	$835
Deductibility of charitable contributions (health)	1,240	1,245
Deductibility of charitable contributions (other than education and health)	7,550	7,595

1/Includes contributions to organizations exempt under IRC 501(c) as well as to religious and other exempt organizations.

Source: Executive Office of the President, Office of Management and Budget, Special Analyses, Budget of the United States Government, FY 1984, p. G-27 and p. G-32.

Contributions received from the public, as reported on nonprofit charitable organization returns, reflected only 46 percent of total contributions shown in Figure F. The remainder of these contributions would have been received by organizations not required to file Forms 990. Religious organizations, the predominant type of 501(c)(3) organization, are not required to file returns. Therefore, the largest part of the remaining 54 percent of contributions not reported on Form 990 would have been donated to these organizations.

Figure F.--Charitable Contributions as Reported on Tax Returns, 1982

[Money amounts are in millions of dollars]

Source of contribution	Amount
Total	$48,051
Individual	36,761
Corporate	2,906
Estate bequests	2,545
Fiduciary	1,416
Private foundations 1/	4,423
Gift	n.a.

n.a. Not available.

1/The inclusion of this figure in total contributions involves double counting since individual, corporate, estate and fiduciary giving include gifts to private foundations.

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division, published and unpublished tables.

It should be noted that the IRC does not recognize the value of volunteer services as a noncash contribution for deduction purposes, nor is the value reported as revenue on the returns filed by charitable organizations. Nonetheless, volunteer services constitute an important part of total donations.

Description of Nonprofit Charitable Organization Activity

To explain the existence of the nonprofit charitable sector, it is necessary to determine what inducements exist for the formation and continued operation of the organizations that form the sector. The private sector is comprised of firms seeking to maximize their profits. They accomplish this by attempting to satisfy consumer desires through the mechanism of the market. Alternately, the level of Government provision of public goods is primarily determined by a majority vote of the electorate. The Government, due to a lack of information about specific consumer preferences, must use a nonbenefit-based system of taxation for the provision of public goods. A nonbenefit-based taxation system is necessary because it is not possible to equate taxes paid by an individual to the benefits received by that individual from public goods and services [13]. One explanation for the existence of the nonprofit charitable sector is that demand for public goods is not completely revealed by a majority vote of the electorate and therefore not supplied by the Government [14]. Private nonprofit organizations may form to meet this unsatisfied demand. Also, there may be an overlapping provision of public goods by Government and by nonprofits with the private sector offering private good substitutes for public goods.

The share of output by nonprofit charitable organizations may be primarily determined by: the undersupply of public goods resulting from the allocation by a majority vote using a non-benefit-based taxation system; the responsiveness of Government institutions to changes in quantities of public goods as mandated by a majority vote; the suitability of private good substitutes for public goods; and the price of philanthropy to the donor and to the Government in terms of a tax expenditure.

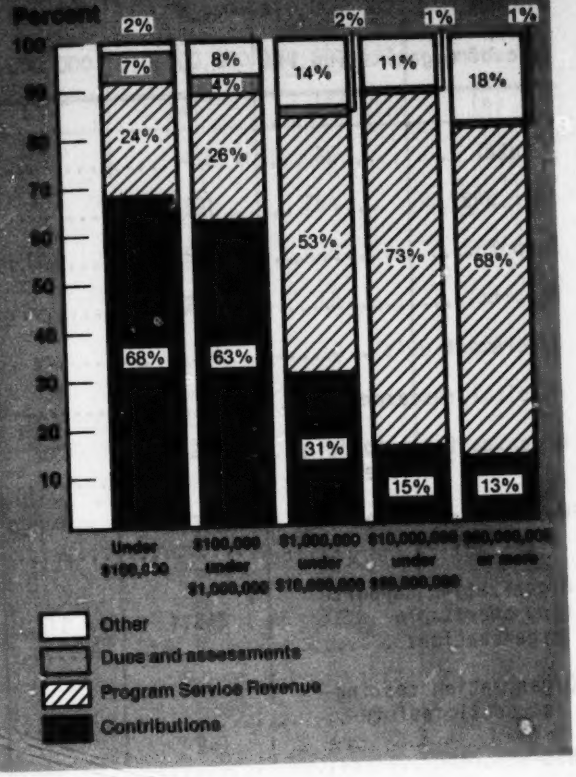
There is no standard theory of behavior for nonprofit charitable firms analogous to the profit maximization behavior of private firms [15]. This is partly due to the wide mix of organizations in the sector that have different philanthropic objectives and the difficulties in measuring both charitable output and returns on investment in philanthropy. In general, it may be assumed that nonprofit charitable entities are attempting to maximize the furtherance of their charitable purpose.

The nonprofit charitable sector as a whole shows variation in terms of primary revenue source as total assets increase. As seen in Figure G, the reliance of organizations on contributions for revenue varies inversely with total assets. A stronger reliance on program service fees for a major portion of revenue emerges as assets increase. Those with assets under $100,000 rely on contributions for 68 percent of revenue and on fees charged for 7 percent, while those with assets $50,000,000 or more depend on contributions for 13 percent of revenue and on program service revenue for 68 percent.

Figures H and I display the only information available from exempt organization returns on the type of organizations that are filing. It is derived from the section of the return in which an organization must supply a reason for not being classified in the less-favored category of private foundation [16]. Most are publicly supported organizations, whereas the concentration of assets is in the schools and hospitals.

Both the composition of assets and the major source of revenue of hospitals and schools (the only activities readily identifiable from information on the Form 990 exempt organization return) are dissimilar as evidenced in Figure J. Hospitals have a large capital investment in land, building, and equipment, followed by receivables and inventories as the top components of assets. Schools hold fewer assets in land, buildings and equipment than hospitals and schools' assets are heavily concentrated in investments. Contributions, gifts, and grants account for 25 percent of the revenue received by schools, but only 3 percent of the revenue received by hospitals.

Figure G
Components of Revenue, by Asset Size, 1982



Education and health services are good examples of industries that are represented in the private business sector, the Government sector, and the nonprofit charitable sector. While there certainly is overlap, in general, the for-profits target a different market than the nonprofits and the Government providers. Earnings of nonprofits are used for provision of medical services as opposed to for-profits, which may distribute their earnings to individual investors. Nonprofit hospitals generally offer a wider range of services than for-profit hospitals, and the services offered are more public in nature (e.g., home care programs, social work departments, organ banks) [17]. It is possible that nonprofit hospitals serve more of the uninsured and low-income segment of the population.

Differences in accounting standards for nonprofit and for-profit entities highlight the difficulty in evaluating the nonprofit sector. In exchange for the privilege of tax exemption, charitable organizations forfeit the privilege of paying dividends on invested capital. The

Figure H.--Nonprofit Charitable Organizations, Excluding Private Foundations: Balance Sheet and Income Statement Items, by Type of Organization, 1982

[All figures are estimates based on samples--money amounts are in millions of dollars]

Type of organization 1/	Number of returns (1)	Total assets (2)	Total liabilities (3)	Total revenue (4)	Total expenses (5)
Total	75,733	$279,632	$116,771	$196,300	$181,294
Church 2/	2,022	2,837	915	1,517	1,255
School	8,335	73,524	13,685	35,224	29,843
Hospital	5,021	93,839	45,797	91,855	87,278
Government unit	701	1,182	443	1,242	1,201
Hospital research	546	1,296	229	560	523
Organization supporting a public college	1,057	3,400	338	1,860	1,343
Publicly supported organization	50,738	56,737	22,812	45,620	43,042
Organization supporting charitable organizations	4,893	42,418	30,764	15,586	14,267
Organization testing for public safety	1	104	13	93	85
Not reported	2,419	4,295	1,775	2,743	2,457

1/This classification was derived from Schedule A (Form 990), Part IV, entitled "Reason for Non-Private Foundation Status."

2/Churches are not required to file a Form 990. Most of the organizations in this category either filed voluntarily or misreported their type of organization. This estimate is, therefore, not inclusive of the majority of religious organizations.

distribution of earnings to individual investors is the impetus behind the formation of business entities. This nondistributional constraint placed on nonprofit organizations is what defines a nonprofit organization as opposed to a for-profit entity. The balance sheet of a nonprofit charitable organization does not have an owner's equity section; earnings will accrue instead to the fund balance/net worth section. These organizations must operate for the public benefit and their income and assets must be held and used for that purpose. It may be that, in a sense, a nonprofit charitable organization is owned by the public.

The accounting systems of many nonprofit organizations keep separate records of groups of resources and their subsequent use because they have specified purposes and restrictions. This need leads to the use of fund accounting where funds are restricted (the directors have limited control over specific use due to donor instructions). Nonexpendable (capital funds that cannot be used for operating costs) and expendable funds represent another classification of resources. In addition, many hospitals and schools have endowment funds that provide income for the organization, while the principal is not available for use [18]. The constraints imposed on the use of these funds hamper the exempt organization's financial management in quickly adapting to changing economic conditions.

However, the most important difference between the concept of exempt organization performance and that of for-profit entities centers on measurement of efficiency. Effectiveness in pursuing an exempt purpose cannot

Figure I--Nonprofit Charitable Organizations, Excluding Private Foundations, Frequency Distribution of Organizations Among Asset Classes, by Type of Organization, 1982

[All figures are estimates based on samples]

Type of organization 1/	Under $100,000	$100,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 under $50,000,000	$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Church 2/	960	480	102	436	35	6
School	3,364	1,922	717	1,331	754	245
Hospital	480	961	102	1,547	1,408	521
Government unit	480	--	--	204	12	3
Hospital research	--	480	--	43	18	4
Organization supporting a public college	--	480	307	215	42	11
Publicly supported organization	22,593	15,863	4,097	7,338	726	118
Organization supporting charitable organizations	960	1,922	512	1,245	208	43
Organization testing for public safety	--	--	--	--	--	1
Not reported	960	961	204	231	44	15

1/This classification was derived from Schedule A (Form 990), Part IV, entitled "Reason for Non-Private Foundation Status."

2/Churches are not required to file a Form 990. Most of the organizations in this category either filed voluntarily or misreported their type of organization. This estimate is, therefore, not inclusive of the majority of religious organizations.

be expressed in net profit or return on investment figures. Traditional financial ratios are difficult to calculate and interpret.

SUMMARY

For 1982, total revenue for nonprofit charitable organizations was $196.3 billion, reflecting an 82 percent real growth since 1975. Total assets and total expenses experienced similar growth during this period. Health service and education providers dominated the largest organizations.

Contributions represented 21 percent of total revenue for all organizations. The importance of contributions as a part of revenue declined as the value of assets increased. The largest organizations relied more on program service revenue while the small organizations depended on contributions as their primary revenue source.

The largest number of these charitable organizations were publicly supported organizations which produced a wide array of goods and services. However, the concentration of financial aggregates was in the schools and hospitals.

Charitable organizations and for-profit entities operate with different goals and under different legal constraints. The furtherance of the public good is assumed to be the reason that charitable organizations operate as a third sector in the U.S. economy.

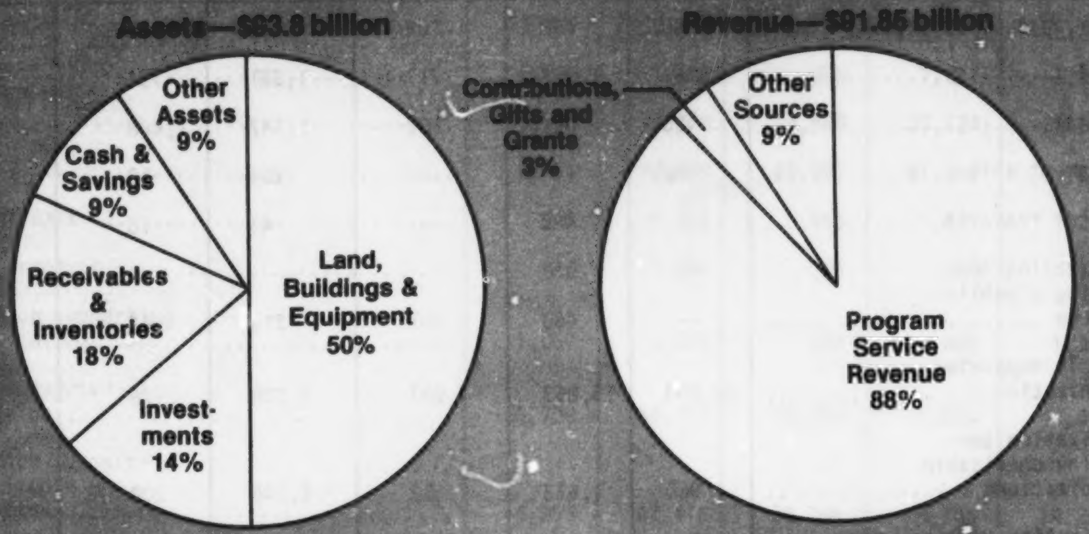
DATA SOURCE AND LIMITATIONS

The database used for this article was constructed by the Statistics of Income (SOI) Division by collecting data using the concept

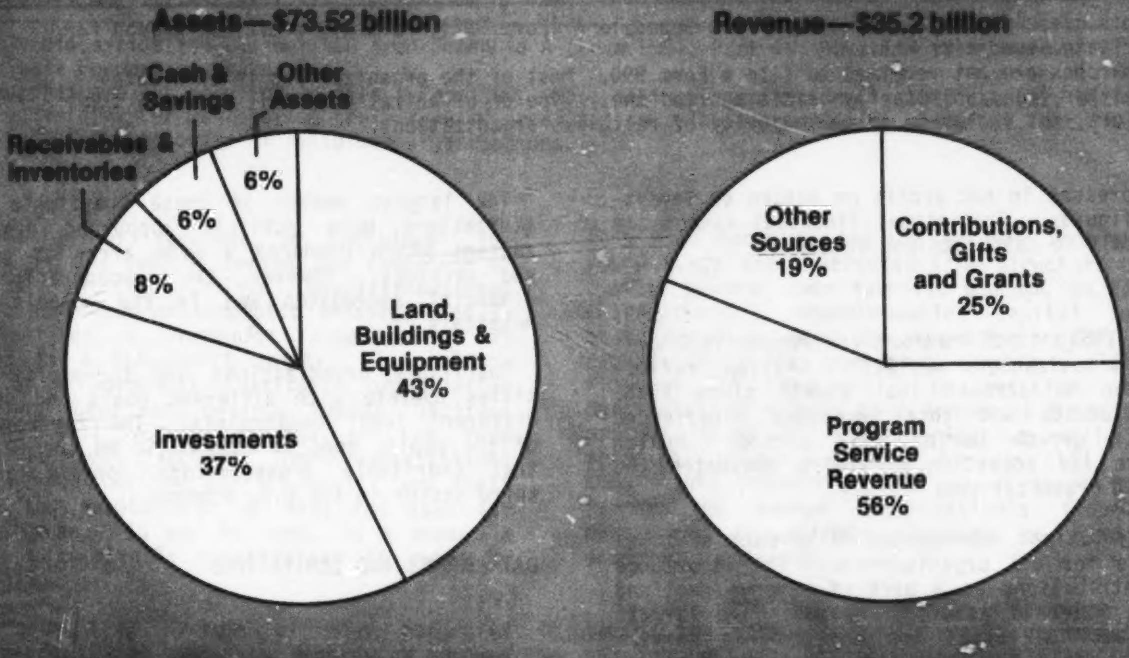
Figure J

Composition of Assets & Revenue Sources, By Organization Type, 1982

Hospitals



Schools



of a Tax Year as opposed to a Processing Year (see Appendix for a discussion of the concepts of a Processing Year and a Tax Year). The relevant Tax Year is defined by accounting periods ending December 1982 through November 1983. Calendar year filers represented 45 percent of the population, while 42 percent of the non-calendar year filers had accounting periods ending in June. The sample included 219 group returns that appear to be returns with large assets while the return actually represents an aggregate of many small organizations [19].

The sample size was 4,398 organizations. The estimates of nonprofit charitable organizations presented here are based on a random probability sample of 1982 unaudited information returns (Form 990) stratified by asset levels. The sample was selected based on a computation on the employer identification number (EIN). The 1982 filing requirement granted an exemption to entities with gross receipts of $25,000 or less; returns of organizations with gross receipts of less than $25,000 were bypassed for sample selection. The sample design was nearly optimal for the purpose of estimating total assets or totals highly correlated with assets.

The data presented in this article are subject to sampling and nonsampling error. The size of the sampling error is estimated by the approximate coefficients of variation in Figure K. Nonsampling error would stem primarily from interpretation of charitable organizations' entries on the Form 990 and the efficiency of the testing used in detecting inconsistencies in the data as well as the quality of the subsequent correction process. When 1982 returns were not available, 1981 returns were substituted as proxies. In addition, comparable frequencies and amounts in tables may vary slightly as a result of computer software differences.

Sampling rates ranged from 1.00 for organizations with $10 million or more in assets to .0021 for organizations with assets below $500,000. Additionally, the weighting of the data file had to be adjusted for nonresponse. (Some returns selected were not obtainable.) The low rate of sampling for lower asset organizations increases sampling variability for these strata. Consequently, a caveat must be issued as to the use of estimates for organizations with assets of $500,000 or less. The approximate coefficient of variation for each sampling rate is shown in Figure K. In addition, organizations with receipts that are normally not more than $25,000 (the average of the preceding 3 years for organizations 3 years or older) might not have filed a 1982 return even if their receipts were greater than $25,000 in 1982.

Figure K. - Approximate Coefficient of Variation for Number of Returns by Size of Assets

Approximate coefficient of variation	Size of Assets		
	Under $500,000 or blank	$500,000 Under $2,500,000	$2,500,000 Under $10,000,000
	(1)	(2)	(3)
0.05	50,100	11,300	5,500
0.07	40,100	9,000	4,200
0.10	28,100	6,200	2,800
0.15	16,200	3,500	1,600
0.20	10,200	2,200	950
0.30	5,000	1,050	450

APPENDIX: COMPARISONS OF 1975 AND 1982 DATA

There have been many changes in the operating environment of charitable organizations between 1975 and 1982 and they should be noted before comparing the two SOI sample data sets for the purpose of analyzing changes in the charitable sector. In addition, there are differences in the scope and methodology of the studies as well as in the data source. Comparability is further hampered by the fact that the Form 990 underwent a major revision during this period.

The economic climate of 1982 differed from that of 1975. The rate of price change was 6.1 percent in 1982 as compared to 9.1 percent in 1975. Inflation has particularly negative effects on exempt organizations with endowment funds that depend on fixed-return long-term investments. Management of these funds was made more difficult by the depressed stock and bond markets of 1974 that were still recovering in 1975. Endowment funds typically follow the stock and bond markets in value. Prices in this market were much higher in 1981-82 than in 1974-75 [20].

In addition, there was a change in the filing requirement effective in December 1982 that affected all 1982 Form 990 filings. This change raised the minimum level of gross receipts, required for filing purposes, to more than $25,000 from the previous level of more than $10,000 in 1976 and more than $5,000 in 1975. Adjusting for the rate of inflation, this represents a 203 percent increase in the filing requirement (in 1972 dollars). This, along with a possible increase in the filing of group returns, may account for the decrease in the number of organizations filing a return.

As a percentage of total revenue, donations fell from 26 percentage to 21 percent for nonprofit charitable organizations between 1975 and 1982. There are alternative explanations for the apparent decreased level of charitable donations relative to total revenue. Enactment of the Economic Recovery Tax Act of 1981 (ERTA) could have had a dampening effect on giving to these organizations. While it would require more research to estimate ERTA's overall effect on contributions, it is possible to enumerate theoretical relationships between levels of giving and the cost of giving.

The cost of charitable giving for an individual can most simply be expressed as:

$$Cg = (1 - Tm),$$

where Cg is the cost of giving, and Tm is the marginal tax rate. One dollar of giving, less the donor's marginal rate of taxation (the percentage of tax on the last dollar of income realized), yields the out-of-pocket cost of the gift. For example, an individual in the 70 percent tax bracket realizes a true cost of $30 when donating $100, since $70 would have been paid as tax. Therefore, the cost of a charitable contribution is inversely related to the donor's marginal tax rate. If the marginal rate drops, the cost of donating increases, and an individual facing an array of consumption choices experiences a change in the relative prices between expenditures on goods and services that are tax deductible versus those that are not tax deductible.

ERTA reduced average marginal tax rates as well as the maximum marginal rate (from 70 percent to 50 percent). The resultant increase in the cost of giving may have had a substitution effect on an individual's willingness to contribute. Conversely, the lowering of tax rates may have increased after-tax income levels (in the absence of a downturn in the business cycle or other negative changes in general economic conditions) and may have produced a positive income effect that would have operated to increase charitable giving. If the price elasticity of demand were large enough to outweigh the income elasticity, it is possible that this provision of ERTA negatively affected giving to nonprofit charitable organizations. (It should be noted that there could be a lagged substitution effect or lagged income effect where a transition period was needed to observe the final effect.) [21] [22].

ERTA also provided, for the first time, some deductibility of charitable donations for nonitemizers. This lowered the cost of giving for this group to the extent of the limit of the maximum allowable deduction. Again, the overall dollar impact on exempt organizations' receipts is difficult to predict since a portion of the contributions of nonitemizers would not be a result of new behavior.

Estate tax return filings were affected b provisions of the Tax Reform Act of 1976 tha progressively raised the gross value of th estate required to file to $175,000 from level of $60,000 in 1975. Charitable bequest for those estates not required to file woul have a higher cost than when the estates wer taxed. ERTA's estate tax provisions affecte charitable bequests of decedents in 1982 an thereafter. Exempt organizations' receipt could have been affected by this after 1982.

The final consideration in trying to measur the change in the nonprofit charitable secto from 1975 to 1982 is that the structure of th two SOI studies differs in three significan ways. First, the 1975 study used a Processin Year concept, in which 1975 returns filed an processed during 1976 were sampled. The 198 study used a Tax Year concept in which 198 returns were sampled regardless of when the were processed. A Processing Year design allows an earlier cut-off of sampling; hence statistics can be produced more quickly. Whe a Processing Year sampling method is used t produce annual statistics, late filers can be captured in a statistical series. On the othe hand, a Tax Year design would provide bette coverage for 1-year statistics, but the sampling would require a longer time frame due t lags in filing and processing of returns [23]. Second, the 1975 study focused on all IRC 501(c subsection codes, whereas the 1982 study sample only IRC 501(c)(3) and 501 (c)(4) organizations. (501(c)(4) organization data are not include in this article.) Finally, the 1975 study classified organizations by principal activity as well as stratified the sample on levels of receipts. For 1982, the sample was stratified by assets and data on activity were not include since activity coding was dropped from the Form 990 before 1982.

NOTES AND REFERENCES

[1] 1975 was the year of the last Statistics of Income (SOI) study of nonprofit charitable organizations.

[2] See Appendix entitled "Comparisons of 1975 and 1982 Data" for an explanation of the differences in the 1975 and 1982 data sets.

[3] Executive Office of the President, Office of Management and Budget, The Budget of the United States Government, FY 1982, pp. 8-9.

[4] U.S. Bureau of the Census, Current Population Reports, series P-60, Nos. 138 and 145.

[5] The concept of altruism does not preclude the donor from receiving some benefit (e.g., recognition by the community, self-satisfaction); it merely indicates that the benefit is not immediately tangible.

[6] Data available for partnerships and sole proprietorships did not contain farm entities for every statistic. Therefore, for consistency in comparison, farm data were not used.

[7] Assets are not reported by sole proprietorships. Therefore, they are not included in business entities assets.

[8] U.S. Bureau of Labor Statistics, Employment and Earnings, monthly; unpublished data.

[9] "A commodity is called a 'public good' if its consumption by one person does not reduce the amount available for others or phrasing it another way, a good is 'public' if providing the good for anyone makes it possible to provide it for everyone, without additional cost. Public goods thus represent a particular type of beneficial externality. A private good (e.g., a banana) is used or consumed exclusively; a public good is (or may be) used concurrently by many economic agents." Hirshleifer, Jack, Price Theory and Applications, 3rd ed., Prentice-Hall, 1984, pp. 143-144.

[10] "Tax expenditure estimates measure the decrease in individual and corporate income tax liabilities that result from the provisions in income tax laws and regulations that provide economic incentives to the private sector or tax relief to particular kinds of taxpayers." "The term tax expenditure is derived from the assumption that the goals of these favorable tax provisions could be accomplished by replacing them with direct expenditure programs." Joint Committee on Taxation, "Estimates of Federal Tax Expenditures for Fiscal Years 1986-1990," April 12, 1985, p. 2.

[11] The difference between the cost of an outlay equivalent and the cost of a revenue loss is that a portion of an outlay would be in the form of transfer payments that would be taxable. Thus, because of the revenue gain, the outlay would generally cost less than the revenue loss of the tax expenditure.

[12] Due to the interdependence of tax expenditures, these estimates cannot be added together for a total outlay equivalent or a total revenue loss; instead, they must be considered independently. The term "interdependence of tax expenditures" refers to the fact that tax expenditures mutually affect marginal tax rates. The elimination of one exclusion from gross income could cause an increase in taxable income that would be taxed in a higher bracket thus increasing the revenue loss from other exclusions.

[13] Weisbrod, Burton A., "Toward a Theory of the Voluntary Non-Profit Sector," in Altruism, Morality, and Economic Theory, Edmund S. Phelps, ed., Russell Sage Foundation, 1975, p. 175.

[14] Weiss, Jeffrey H., "The Ambivalent Value of Voluntary Provision of Public Goods in a Political Economy," in Nonprofit Firms in a Three Sector Economy, Michelle J. White, ed., The Urban Institute Press, 1981, pp. 11-12.

[15] Newhouse, Joseph P.,"Toward a Theory of Nonprofit Institutions: An Economic Model of a Hospital," American Economic Review, March 1970, p. 64.

[16] Private foundations are subject to an excise tax on investment income and they are required to distribute annually a minimum amount of their investment assets. See Riley, Margaret, "Private Foundation Information Returns, 1982," Statistics of Income Bulletin, Fall 1985, Vol. 5, No. 2, p. 8.

[17] Weisbrod, Burton A., The Voluntary Nonprofit Sector, Lexington Books, 1977, pp. 77-81.

[18] Gross, Malvern J., Jr., and Warshauer, William, Jr., Financial and Accounting Guide for Nonprofit Organizations, 3rd ed., John Wiley & Sons, 1983, pp. 11-39.

[19] A parent organization may file a return for affiliated organizations that are subject to the parent's control and are exempt under a current group exemption letter. All the organizations on a group return must have the same accounting period.

[20] U.S. Council of Economic Advisers, Economic Report of the President, 1975, pp. 310-311.

[21] Vickrey, William, "Private Philanthropy and Public Finance," in Altruism, Morality, and Economic Theory, Edmund S. Phelps, ed., Russell Sage Foundation, 1975, pp. 153-157.

[22] For empirical evidence that ERTA did not negatively affect charitable giving, see

Bristol, Ralph B., "Tax Cuts and Charitable Giving," Tax Notes, July 15, 1985, pp. 323-326.

[23] As an example of a possible lag in filing and processing a 1982 return, organizations with an accounting period ending in November 1983 would have a required filing date for its 1982 return of April 15, 1984. Because of filing extensions, the return might not be processed until 1985.

Nonprofit Charitable Organizations, 1982

Table 1.—Returns of Tax-Exempt 501(C)(3)[1] Organizations with Total Assets: Assets, Liabilities, Revenue and Expenses by Size of Total Assets, 1982

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of total assets						
		$1 under $25,000	$25,000 under $100,000	$100,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 under $50,000,000	$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns of 501(C)(3) organizations	75,736	14,902	14,902	23,075	6,043	12,595	3,251	967
Total assets	279,638,066	163,662	859,303	4,520,081	4,266,804	43,533,990	74,300,485	151,993,712
Cash (Non-interest bearing):								
Number of returns	65,144	11,537	13,941	20,190	4,917	11,129	2,667	781
Amount	4,914,336	44,969	162,692	406,469	348,879	1,060,802	1,121,431	1,769,092
Savings and temporary cash investments:								
Number of returns	52,556	7,210	11,056	18,825	4,507	9,619	2,602	734
Amount	20,341,904	54,395	297,386	1,280,194	784,841	3,908,587	5,856,576	8,159,923
Accounts receivable (net):								
Number of returns	36,759	2,884	3,845	13,460	3,585	9,150	2,925	908
Amount	20,727,742	6,374	94,003	753,342	184,053	3,401,581	6,985,579	9,302,806
Pledges receivable (net):								
Number of returns	4,286	—	—	961	614	1,752	691	246
Amount	3,036,480	—	—	1,807	54,557	1,065,169	1,084,100	830,825
Grants receivable:								
Number of returns	6,036	961	1,442	1,442	614	1,002	376	197
Amount	1,565,944	6,164	34,850	151,661	128,997	511,233	268,489	462,527
Receivables due from officers, directors, trustees and key emloyees:								
Number of returns	1,796	480	—	480	—	609	159	66
Amount	129,003	799	—	8,113	—	12,465	49,648	57,977
Other notes and loans receivable (net):								
Number of returns	9,152	961	480	961	1,434	3,396	1,365	532
Amount	5,824,257	192	961	19,980	75,133	777,170	1,577,686	3,373,133
Inventories for sale or use:								
Number of returns	19,035	961	1,922	6,249	1,331	5,321	2,440	807
Amount	2,826,720	1,662	29,611	108,242	46,621	662,457	948,440	1,029,694
Prepaid expenses and deferred charges:								
Number of returns	23,832	1,442	3,365	6,730	2,048	7,144	2,367	735
Amount	1,860,943	2,207	9,226	75,328	27,252	325,674	536,869	884,561
Investments-securities:								
Number of returns	14,773	480	961	2,403	1,536	6,497	2,179	714
Amount	69,745,075	3,110	16,689	62,959	410,218	6,904,866	12,090,414	50,256,616
Investments-land, buildings and equipment (minus accumulated depreciation):								
Number of returns	6,320	961	961	1,442	409	1,696	617	229
Amount	6,039,810	4,670	23,106	242,959	123,087	1,300,421	1,577,957	2,767,408
Investment-other:								
Number of returns	6,803	480	—	1,922	717	1,995	1,202	485
Amount	17,970,993	1,566	—	94,695	91,246	1,075,062	3,106,306	13,602,094
Land, buildings, and equipment (minus accumulated depreciation):								
Number of returns	41,276	3,845	5,768	12,496	4,507	10,811	2,953	893
Amount	107,076,532	16,575	166,590	1,062,096	1,777,876	20,819,766	34,093,692	49,137,932
Other assets:								
Number of returns	32,739	3,845	3,845	10,095	4,200	7,365	2,584	802
Amount	17,578,326	16,772	23,981	252,211	214,035	1,706,737	5,003,489	10,359,100
Total liabilities	116,777,538	60,995	246,397	1,971,267	1,330,380	16,579,294	28,815,955	67,773,245
Accounts payable and accrued expenses:								
Number of returns	49,336	8,172	7,691	14,421	4,404	10,633	3,079	933
Amount	15,607,320	29,861	108,584	641,616	385,428	2,349,604	4,767,256	7,324,966
Grants payable:								
Number of returns	4,571	961	—	1,922	307	1,069	217	73
Amount	2,326,236	6,455	—	163,133	22,671	736,169	596,870	799,916
Support and revenue designated for future periods:								
Number of returns	11,200	961	1,922	4,326	614	2,701	511	162
Amount	3,414,470	469	17,226	144,750	84,274	992,635	1,091,121	1,083,989
Loan from officers, directors, trustees and key employees:								
Number of returns	2,143	—	480	1,442	—	172	40	7
Amount	276,609	—	3,249	29,564	—	87,593	125,456	32,745
Mortgages and other notes payable:								
Number of returns	24,249	1,442	3,365	6,730	2,151	7,414	2,375	771
Amount	51,845,471	7,049	26,826	695,931	609,329	9,890,152	16,340,787	24,275,391
Other liabilities:								
Number of returns	29,391	3,845	3,365	8,172	2,765	7,947	2,476	818
Amount	43,305,428	17,160	90,506	296,271	228,677	2,524,119	5,892,460	34,256,234
Total fund balances/net worth:								
Number of returns	75,583	14,902	14,902	23,075	6,043	12,450	3,245	963
Amount	162,860,529	102,666	612,905	2,548,814	2,936,423	26,954,701	45,484,529	84,220,466
Total liabilities and fund balances/networth:								
Number of returns	75,736	14,902	14,902	23,075	6,043	12,595	3,251	967
Amount	279,638,067	163,662	859,303	4,520,082	4,266,804	43,533,995	74,300,485	151,993,712
Total revenue	196,305,700	774,536	2,826,490	9,019,977	5,222,067	31,380,246	57,279,516	89,802,846
Total contributions	41,272,737	432,311	1,999,611	5,344,562	3,656,867	9,675,831	8,338,137	11,625,415
Contributions, gifts and grants received through direct public support:								
Number of returns	55,385	10,095	9,614	17,306	4,507	10,250	2,767	826
Amount	17,293,898	217,697	249,650	1,135,767	756,981	5,126,488	4,633,067	5,174,245
Contributions, gifts and grants received through indirect public support:								
Number of returns	13,361	480	1,922	5,266	1,536	3,305	596	230
Amount	4,798,250	6,970	13,630	542,951	224,225	1,422,242	1,005,862	1,582,368
Contributions, gifts and grants received through government grants:								
Number of returns	24,196	3,845	4,607	8,653	1,843	3,380	1,204	407
Amount	19,180,566	207,643	1,736,330	3,665,843	2,675,660	3,327,099	2,699,207	4,668,802

Footnote(s) at end of table.

Nonprofit Charitable Organizations, 1982

Table 1.—Returns of Tax-Exempt 501(C)(3)[1] Organizations with Total Assets: Assets, Liabilities, Revenue and Expenses by Size of Total Assets, 1982—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Items	Total	Size of total assets						
		$1 under $25,000	$25,000 under $100,000	$100,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 under $50,000,000	$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Program service revenue:								
Number of returns	45,821	7,210	8,172	14,421	3,462	8,993	2,696	843
Amount	124,373,343	364,464	496,426	2,749,404	897,157	16,525,254	42,001,862	81,338,774
Membership dues and assessments:								
Number of returns	19,438	3,845	6,249	4,807	1,536	2,598	333	66
Amount	2,476,708	126,165	118,765	328,827	195,078	516,548	561,441	829,862
Interest on savings and temporary cash investments:								
Number of returns	55,146	7,691	11,056	18,267	5,019	9,851	2,522	737
Amount	3,371,905	5,383	34,367	140,636	115,390	618,652	985,270	1,472,205
Dividends and interest from securities:								
Number of returns	12,517	480	961	2,884	1,536	4,378	1,701	575
Amount	5,102,388	162	2,118	20,526	36,048	591,481	956,922	3,495,127
Gross rents:								
Number of returns	12,216	1,442	961	2,884	1,434	3,866	1,206	422
Amount	1,298,963	138,910	17,145	6,769	88,975	517,437	198,306	331,416
Rental expenses:								
Number of returns	5,695	961	480	1,442	409	1,488	652	261
Amount	781,032	93,802	2,481	9,358	83,440	286,576	114,411	190,957
Net rental income (loss):								
Number of returns	12,206	1,442	961	2,884	1,434	3,866	1,200	418
Amount	517,931	45,107	14,664	-589	5,534	230,858	81,895	140,460
Other investment income:								
Number of returns	2,266	480	—	—	102	1,175	350	157
Amount	996,394	168	—	—	1,094	71,849	106,860	816,422
Gross amount from sale of assets-securities:								
Number of returns	5,877	—	—	480	717	3,148	1,141	389
Amount	35,047,624	—	—	32,698	128,247	1,766,627	5,422,978	27,697,072
Cost or other basis and sales expenses-securities:								
Number of returns	5,627	—	—	480	717	3,062	1,022	345
Amount	32,374,860	—	—	32,229	126,704	1,642,260	5,059,299	25,514,358
Gain (loss)-securities:								
Number of returns	5,877	—	—	480	717	3,148	1,141	389
Amount	2,672,764	—	—	469	1,542	124,359	363,679	2,182,713
Gross amount from sale of other assets:								
Number of returns	6,172	480	480	961	819	2,194	898	337
Amount	1,258,098	158,754	937	417	29,736	218,657	235,839	613,756
Cost or other basis and sales expenses-other assets:								
Number of returns	3,876	480	480	—	512	1,439	690	273
Amount	1,027,032	431,819	467	—	10,052	64,097	140,481	380,114
Gain (loss)-other assets:								
Number of returns	6,823	480	961	961	819	2,340	921	339
Amount	231,065	-273,064	469	417	19,683	154,560	95,358	233,641
Total gain (loss) from sale of assets:								
Number of returns	11,022	480	961	961	1,536	4,761	1,729	592
Amount	2,903,830	-273,064	469	886	21,226	278,919	459,037	2,416,354
Gross revenue-special fundraising events:								
Number of returns	15,946	3,365	3,845	5,288	921	2,194	257	73
Amount	1,641,390	23,615	180,592	253,524	140,997	777,128	177,242	88,290
Direct expenses:								
Number of returns	13,644	2,884	3,365	4,807	819	1,482	218	67
Amount	741,843	11,749	100,530	105,394	84,478	362,655	43,827	33,206
Net income (loss):								
Number of returns	16,144	3,365	3,845	5,288	1,024	2,296	252	71
Amount	899,545	11,865	80,061	148,129	56,518	414,472	133,415	55,081
Gross sales minus returns and allowances:								
Number of returns	13,891	961	1,922	6,730	717	2,469	792	298
Amount	7,960,114	16,655	59,104	311,800	19,881	1,463,557	2,801,810	3,287,503
Cost of goods sold:								
Number of returns	12,903	961	1,922	6,249	717	2,092	690	270
Amount	2,979,252	17,526	35,597	205,978	16,261	506,439	998,062	1,201,387
Gross profit (loss):								
Number of returns	13,846	961	1,922	6,730	717	2,426	789	299
Amount	4,980,862	-870	23,507	105,822	3,420	957,118	1,805,747	2,086,116
Other revenue:								
Number of returns	37,728	6,249	5,768	11,537	3,482	7,554	2,412	723
Amount	9,410,072	62,862	56,478	181,769	233,750	1,299,260	1,848,925	5,727,026
Total expenses	181,298,552	970,925	2,761,297	8,881,310	5,004,304	29,330,345	53,254,786	81,295,584
Program services:								
Number of returns	68,978	12,018	13,941	21,152	5,531	12,293	3,105	936
Amount	151,667,591	681,731	2,497,256	7,038,939	4,080,906	23,828,835	43,538,281	70,021,639
Management and general:								
Number of returns	59,731	11,056	11,056	17,787	5,634	10,681	2,708	807
Amount	27,424,768	287,403	262,308	1,424,510	907,742	4,721,594	9,080,271	10,740,938
Fundraising:								
Number of returns	17,522	961	1,922	6,249	1,843	4,766	1,316	462
Amount	1,651,036	1,757	1,695	98,525	35,201	632,016	431,001	450,841
Payments to affiliates:								
Number of returns	3,113	480	480	1,442	102	496	85	26
Amount	555,154	32	38	119,334	454	147,898	205,231	82,164

[1] Excluding Private Foundations.

Note: —Indicates Not Reported.

Detail may not add to total because of rounding.

Table 2.—Returns of Tax-Exempt 501(C)(3)[1] Organizations with Selected Income and Balance Sheet Items, by State, 1982

[All figures are estimates based on samples—money amounts are in thousands of dollars]

State	Number of Returns	Total Receipts	Selected Receipts: Total Contributions Received: Number of Returns	Selected Receipts: Total Contributions Received: Amount	Selected Receipts: Direct Public Support: Number of Returns	Selected Receipts: Direct Public Support: Amount	Selected Receipts: Indirect Public Support: Number of Returns	Selected Receipts: Indirect Public Support: Amount	Selected Receipts: Government Grants: Number of Returns	Selected Receipts: Government Grants: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
United States, total	**75,741**	**196,305,702**	**60,026**	**41,272,738**	**55,388**	**17,293,900**	**13,360**	**4,798,249**	**24,190**	**19,180,586**
Alabama	410	1,998,335	357	516,093	253	129,450	140	33,674	246	352,968
Alaska	486	74,640	4	10,645	4	1,282	—	—	4	9,362
Arizona	522	1,364,901	516	579,742	514	330,785	5	1,161	153	247,795
Arkansas	166	838,613	167	86,427	166	51,960	108	29,081	6	5,366
California	8,639	21,097,305	8,497	3,879,449	6,295	1,968,533	414	373,941	1,867	1,536,975
Colorado	677	1,926,535	668	294,724	668	173,746	152	38,087	540	62,891
Connecticut	1,332	3,148,985	746	311,861	742	258,117	15	16,541	36	37,203
Delaware	20	515,745	14	35,192	13	31,515	3	1,693	8	1,985
Florida	2,360	5,946,281	2,345	1,143,449	1,860	504,851	425	327,120	1,103	311,479
Georgia	1,030	2,664,739	1,020	626,942	1,018	287,199	259	84,460	131	275,284
Hawaii	23	507,093	22	62,075	21	27,270	4	13,173	7	21,632
Idaho	113	448,756	111	266,371	110	40,894	2	99	107	225,378
Illinois	4,346	14,635,356	4,027	5,058,665	3,979	1,322,800	1,690	910,577	2,255	2,825,289
Indiana	2,716	4,345,854	2,076	936,688	1,109	236,652	503	13,040	1,49[illegible]	686,996
Iowa	873	1,567,828	829	269,339	827	127,875	155	9,506	119	131,959
Kansas	517	1,115,089	513	171,752	513	77,562	4	515	495	93,675
Kentucky	1,875	1,806,260	1,726	322,495	1,243	247,153	490	6,932	1,029	66,411
Louisiana	619	1,554,576	614	222,726	509	80,689	4	8,233	592	133,803
Maine	65	570,486	65	35,042	21	29,468	4	1,677	55	3,896
Maryland (Incl. D.C.)	1,695	7,076,862	1,103	1,981,016	1,097	507,109	131	235,212	322	1,238,686
Massachusetts	3,969	10,308,112	2,475	2,682,653	2,466	916,139	271	11,322	1,433	1,755,192
Michigan	3,688	6,192,503	1,629	558,643	1,621	296,274	244	27,880	628	234,489
Minnesota	1,399	2,571,422	1,390	571,703	1,386	225,236	123	91,879	237	254,586
Mississippi	597	1,240,826	591	112,543	586	49,423	485	26,191	57	36,928
Missouri	2,212	4,471,847	611	732,905	604	327,084	165	63,874	225	341,948
Montana	15	309,818	12	6,616	12	5,433	3	56	4	1,128
Nebraska	31	786,822	28	76,106	27	58,777	10	5,624	13	11,705
Nevada	4	120,000	3	5,285	3	5,087	—	—	1	198
New Hampshire	314	736,302	313	104,104	311	99,598	108	1,350	8	3,156
New Jersey	1,917	4,769,614	1,720	723,374	1,670	245,869	863	166,165	726	311,340
New Mexico	15	392,059	10	14,852	9	9,096	3	2,417	3	3,336
New York	5,958	27,459,756	5,102	5,620,951	4,453	2,774,399	711	1,260,223	2,788	1,586,329
North Carolina	2,165	4,589,052	2,113	1,145,034	2,006	507,575	605	117,980	1,304	519,478
North Dakota	16	497,603	13	11,403	13	10,935	1	161	2	307
Ohio	3,861	10,249,112	3,265	2,883,914	2,669	592,586	1,417	375,397	1,348	1,915,931
Oklahoma	1,107	2,005,294	725	476,548	723	460,682	7	4,739	9	11,127
Oregon	1,773	1,802,919	1,723	226,506	1,720	190,497	210	21,957	13	14,052
Pennsylvania	5,552	14,572,073	4,416	1,681,410	4,402	818,670	1,167	94,052	1,485	768,688
Rhode Island	1,030	979,410	1,029	153,102	1,027	89,076	7	49,001	492	15,025
South Carolina	80	814,297	77	124,886	76	91,913	48	11,193	16	21,780
South Dakota	321	804,953	319	14,543	319	13,697	—	—	5	846
Tennessee	1,427	3,839,826	939	740,853	937	505,469	702	70,008	134	165,375
Texas	3,650	7,744,494	2,944	2,063,163	2,835	1,323,852	814	94,117	1,608	645,194
Utah	6	727,375	4	21,295	4	21,026	1	7	1	262
Vermont	58	419,784	57	15,358	57	12,557	1	51	8	2,751
Virginia	1,568	4,051,056	1,565	1,063,211	1,561	505,612	25	26,209	384	531,391
Washington	2,603	2,851,041	2,116	508,297	1,632	147,758	118	5,540	505	354,999
West Virginia	702	1,443,892	218	149,934	114	29,875	91	10,710	114	109,349
Wisconsin	1,144	3,248,269	1,138	400,768	1,133	336,864	641	52,496	27	11,408
Wyoming	1	2,842	1	1,035	1	977	—	—	1	58
Foreign	72	3,099,050	60	1,571,050	47	186,952	13	120,929	39	1,263,169

Footnote(s) at end of table.

Table 2.—Returns of Tax-Exempt 501(C)(3)[1] Organizations with Selected Income and Balance Sheet Items, by State, 1982—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

State	Selected Receipts—Continued				Selected Expenses				
	Program Service Revenue		Membership Dues and Assessments		Total Expenses	Program Service		Fundraising	
	Number of Returns	Amount	Number of Returns	Amount		Number of Returns	Amount	Number of Returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
United States, total	**45,824**	**124,373,341**	**19,437**	**2,476,712**	**181,298,555**	**68,982**	**151,667,594**	**17,521**	**1,651,037**
Alabama	311	1,060,665	132	86,056	1,869,628	403	1,496,973	102	12,272
Alaska	466	60,928	2	2	64,776	466	60,749	2	66
Arizona	369	623,533	106	5,810	1,177,576	519	1,017,455	152	14,652
Arkansas	167	663,279	1	2	759,096	166	617,658	151	8,451
California	2,661	14,782,910	2,676	619,592	19,694,923	6,066	16,260,464	2,217	214,699
Colorado	145	1,460,107	7	2,879	1,766,696	673	1,492,709	120	19,544
Connecticut	1,223	2,449,437	489	26,942	2,900,847	1,330	2,436,450	242	28,366
Delaware	14	334,837	5	3,614	455,251	19	374,056	7	1,127
Florida	1,718	4,215,960	10	8,652	5,509,717	2,352	4,542,601	556	23,669
Georgia	971	1,656,389	483	51,733	2,271,099	1,028	1,909,288	367	20,324
Hawaii	20	330,258	1	361	433,154	23	347,631	10	1,461
Idaho	9	135,884	—	—	448,433	113	406,554	6	793
Illinois	1,716	8,109,279	220	166,960	13,976,556	4,236	12,186,440	2,749	243,051
Indiana	1,740	2,905,257	490	1,844	4,007,315	2,232	3,479,398	83	13,858
Iowa	384	1,073,729	253	45,176	1,435,565	871	1,117,242	73	11,801
Kansas	515	840,957	4	696	1,019,557	516	843,407	16	3,129
Kentucky	712	1,230,805	527	3,063	1,644,565	1,386	1,281,176	107	19,954
Louisiana	504	1,034,996	2	237	1,368,461	131	1,036,985	8	2,288
Maine	64	499,114	1	126	514,933	63	425,957	9	2,493
Maryland (incl. D.C.)	1,416	3,797,341	793	426,774	6,602,892	1,690	5,752,796	156	50,659
Massachusetts	3,071	5,671,428	590	27,214	8,782,947	3,919	7,447,564	926	96,713
Michigan	2,672	5,259,555	223	22,147	6,253,624	3,206	4,753,632	357	24,822
Minnesota	607	1,719,849	591	22,656	2,374,773	1,399	2,100,931	246	16,690
Mississippi	106	958,892	43	3,903	1,166,562	596	1,038,671	49	6,161
Missouri	1,956	3,207,385	587	12,671	4,112,944	2,166	3,498,484	725	24,346
Montana	14	282,604	1	2,342	286,736	15	250,253	4	848
Nebraska	27	594,925	3	1,212	705,104	31	569,864	17	10,421
Nevada	3	57,966	—	—	109,040	4	104,260	—	—
New Hampshire	166	510,003	146	56,390	649,746	313	495,906	156	9,427
New Jersey	1,506	3,175,808	404	66,995	4,400,191	1,824	3,403,455	889	38,040
New Mexico	9	269,646	—	—	350,232	13	286,792	2	1,120
New York	3,996	13,481,064	3,662	421,237	25,863,363	5,364	22,702,369	1,177	367,680
North Carolina	1,900	3,001,940	3	1,108	4,039,065	2,119	3,689,662	224	16,522
North Dakota	16	474,570	—	—	463,709	14	389,610	3	380
Ohio	2,287	6,305,390	1,077	102,766	9,435,103	3,375	7,853,533	762	29,639
Oklahoma	218	1,187,006	4	265	1,816,635	1,100	1,191,529	14	7,458
Oregon	804	1,363,428	105	4,191	1,678,524	1,771	1,306,036	535	12,004
Pennsylvania	3,656	11,462,890	1,674	38,892	13,746,075	5,439	11,796,324	1,164	66,579
Rhode Island	545	673,877	526	13,126	871,267	1,030	770,659	10	5,411
South Carolina	76	562,636	45	15,544	714,573	80	569,824	16	3,067
South Dakota	319	737,122	102	9,506	766,172	320	683,042	1	603
Tennessee	1,372	2,137,860	3	175	3,537,250	1,425	3,117,770	279	37,595
Texas	2,215	4,446,011	1,329	113,263	6,648,658	3,163	5,259,219	1,280	83,445
Utah	4	526,599	—	—	650,165	5	597,166	1	377
Vermont	58	278,340	1	34	392,060	56	325,040	6	1,315
Virginia	491	2,545,213	694	23,164	3,686,456	1,566	2,863,796	241	46,024
Washington	1,633	2,143,266	566	2,591	2,664,840	2,601	2,225,676	606	9,667
West Virginia	173	554,091	524	9,483	1,414,470	656	693,299	533	14,584
Wisconsin	506	2,445,612	296	17,266	2,879,467	1,036	2,403,365	139	8,362
Wyoming	1	907	—	—	1,763	1	892	1	8
Foreign	44	971,792	10	37,811	2,913,753	62	2,166,534	19	15,050

Footnote(s) at end of table.

Table 2.—Returns of Tax-Exempt 501(C)(3)[1] Organizations with Selected Income and Balance Sheet Items, by State, 1982—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

	Information Items					
			Total Fund Balances/Net Worth		Total Liabilities, Fund Balances/Net Worth	
State	Total Assets	Total Liabilities	Number of Returns	Amount	Number of Returns	Amount
	(20)	(21)	(22)	(23)	(24)	(25)
United States, total	**279,638,065**	**116,777,538**	**75,585**	**162,860,531**	**75,741**	**279,638,067**
Alabama	3,079,500	1,213,953	410	1,866,556	410	3,079,509
Alaska	148,569	88,926	486	57,641	486	148,569
Arizona	2,098,089	1,121,667	522	976,421	522	2,098,088
Arkansas	1,219,432	356,832	166	862,600	166	1,219,432
California	22,810,926	9,150,697	8,595	13,660,230	8,636	22,810,926
Colorado	2,373,759	783,467	677	1,590,292	677	2,373,759
Connecticut	5,914,001	1,292,203	1,332	4,621,798	1,332	5,914,001
Delaware	1,313,859	296,170	20	1,018,689	20	1,313,859
Florida	7,681,815	2,872,643	2,360	4,809,172	2,360	7,681,815
Georgia	4,442,995	1,096,555	1,030	3,346,441	1,030	4,442,995
Hawaii	1,098,076	300,103	23	797,973	23	1,098,076
Idaho	473,158	137,637	113	335,521	113	473,158
Illinois	15,453,685	5,997,200	4,346	9,456,485	4,346	15,453,685
Indiana	5,851,393	2,542,770	2,716	3,308,624	2,716	5,851,393
Iowa	2,863,550	1,072,156	873	1,791,394	873	2,863,550
Kansas	1,274,871	473,331	517	801,541	517	1,274,871
Kentucky	3,056,279	942,286	1,875	2,113,993	1,875	3,056,279
Louisiana	2,158,969	815,011	619	1,343,959	619	2,158,969
Maine	969,413	500,995	65	468,418	66	969,413
Maryland (incl. D.C.)	8,701,567	3,332,280	1,695	5,369,286	1,695	8,701,567
Massachusetts	15,701,769	4,275,228	3,969	11,426,541	3,969	15,701,769
Michigan	7,729,103	3,394,114	3,666	4,334,989	3,666	7,729,103
Minnesota	3,770,201	1,594,843	1,397	2,175,358	1,399	3,770,201
Mississippi	1,651,675	593,363	597	1,058,312	597	1,651,675
Missouri	6,915,087	2,646,760	2,212	4,268,327	2,212	6,915,087
Montana	376,039	200,582	15	175,458	15	376,039
Nebraska	1,707,794	683,361	31	1,024,433	31	1,707,794
Nevada	171,665	84,390	4	87,275	4	171,665
New Hampshire	1,388,646	378,179	314	1,010,467	314	1,388,646
New Jersey	8,069,478	3,473,155	1,917	4,596,323	1,917	8,069,478
New Mexico	646,326	349,328	15	296,998	15	646,326
New York	53,554,152	35,743,808	5,954	17,810,343	5,956	53,554,152
North Carolina	5,450,902	1,321,456	2,062	4,129,445	2,165	5,450,902
North Dakota	569,568	338,095	16	231,474	16	569,568
Ohio	12,202,203	4,740,296	3,861	7,461,909	3,861	12,202,203
Oklahoma	3,734,548	1,014,074	1,107	2,720,473	1,107	3,734,548
Oregon	2,108,047	1,047,728	1,773	1,060,320	1,773	2,108,049
Pennsylvania	18,956,845	6,707,172	5,551	12,249,673	5,552	18,956,845
Rhode Island	1,509,330	384,080	1,030	1,125,249	1,030	1,509,330
South Carolina	1,311,494	444,779	80	866,715	80	1,311,494
South Dakota	1,260,058	755,353	321	504,705	321	1,260,058
Tennessee	4,616,685	1,648,280	1,427	2,968,405	1,427	4,616,685
Texas	12,023,366	3,714,071	3,660	8,309,297	3,650	12,023,366
Utah	1,128,122	384,568	6	743,554	6	1,128,122
Vermont	661,823	148,267	58	513,556	58	661,823
Virginia	4,871,302	1,234,811	1,568	3,636,490	1,568	4,871,302
Washington	3,019,870	1,290,809	2,603	1,729,061	2,603	3,019,870
West Virginia	1,695,772	805,311	702	890,462	702	1,695,772
Wisconsin	5,151,979	1,857,247	1,144	3,294,732	1,144	5,151,979
Wyoming	21,268	403	1	20,865	1	21,268
Foreign	4,681,032	1,137,744	72	3,543,289	72	4,681,032

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[1] Excluding Private Foundations.

Notes: — Indicates Not Reported.
Detail may not add to total because of rounding.

Table 3.—Returns of Tax-Exempt 501(C)(3)[1] Organizations with Total Revenue: Assets, Liabilities, Revenue and Expenses by Size of Total Revenue, 1982

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Items	Total	Size of total revenue						
		Negative, zero or not reported	$1 under $25,000	$25,000 under $100,000	$100,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns of 501(C)(3) organizations	75,736	568	1,110	29,064	22,090	6,709	12,834	3,370
Total assets	279,638,066	648,596	309,030	3,104,449	9,347,210	8,129,157	54,739,811	203,359,808
Cash (Non-interest bearing):								
Number of returns	65,144	568	1,006	22,600	20,323	6,308	11,685	2,652
Amount	4,914,336	12,620	7,451	204,354	510,648	296,469	1,187,571	2,695,223
Savings and temporary cash investments:								
Number of returns	52,556	567	626	20,952	14,051	4,676	9,205	2,474
Amount	20,341,904	20,129	34,156	675,902	1,521,978	790,152	4,913,832	12,385,750
Accounts receivable (net):								
Number of returns	36,759	44	627	6,396	10,260	4,973	11,206	3,251
Amount	20,727,742	1,266	2,136	205,566	357,316	159,377	3,311,342	16,690,714
Pledges receivable (net):								
Number of returns	4,266	2	1	—	1,447	252	1,890	674
Amount	3,036,460	—	1,108	—	63,879	117,412	1,322,646	1,531,413
Grants receivable:								
Number of returns	6,036	—	—	1,442	1,647	—	2,441	506
Amount	1,565,944	—	—	9,966	52,164	—	826,609	677,204
Receivables due from officers, directors, trustees and key emloyees:								
Number of returns	1,795	—	—	—	961	44	514	275
Amount	129,003	—	—	—	8,912	4,470	9,973	105,647
Other notes and loans receivable (net):								
Number of returns	9,152	—	462	1,209	2,195	812	2,997	1,453
Amount	5,824,257	—	26,691	17,446	162,448	67,166	1,642,407	3,908,096
Inventories for sale or use:								
Number of returns	19,035	1	460	3,845	4,918	1,716	5,398	2,674
Amount	2,826,729	231	1,159	69,304	94,770	44,062	777,776	1,839,425
Prepaid expenses and deferred charges:								
Number of returns	23,832	44	103	2,928	7,792	2,404	7,975	2,584
Amount	1,860,943	766	142	58,635	105,901	20,939	305,763	1,368,794
Investments-securities:								
Number of returns	14,773	44	2	3,018	2,682	2,401	4,641	1,983
Amount	69,745,075	13,825	3,194	462,169	1,225,799	1,446,811	11,918,014	54,675,260
Investments-land, buildings and equipment (minus accumulated depreciation):								
Number of returns	6,320	1	—	2,025	1,681	922	1,136	552
Amount	6,039,810	1,079	—	108,342	473,925	447,752	1,227,896	3,780,814
Investment-other:								
Number of returns	6,803	1	—	583	2,730	398	1,825	1,264
Amount	17,970,993	963	—	1,672	483,078	23,947	2,103,468	15,357,863
Land, buildings, and equipment (minus accumulated depreciation):								
Number of returns	41,278	87	628	10,857	11,303	5,167	10,112	3,121
Amount	107,076,532	596,326	226,693	1,026,924	3,935,190	3,932,834	22,622,063	74,736,500
Other assets:								
Number of returns	32,739	86	525	10,435	8,417	3,115	7,494	2,664
Amount	17,578,328	1,369	6,294	264,163	351,195	777,757	2,570,446	13,607,100
Total liabilities	116,777,538	631,282	259,370	1,277,319	3,259,256	2,888,942	17,877,102	90,584,175
Accounts payable and accrued expenses:								
Number of returns	49,336	87	146	12,749	15,077	5,828	12,133	3,314
Amount	15,607,320	11,778	2,957	145,968	387,649	269,469	2,728,582	12,060,693
Grants payable:								
Number of returns	4,571	—	—	961	1,749	104	1,578	179
Amount	2,326,238	—	—	6,455	167,948	85,537	788,406	1,277,889
Support and revenue designated for future periods:								
Number of returns	11,200	—	43	3,365	3,309	980	2,960	541
Amount	3,414,470	—	794	53,342	182,943	37,322	1,331,696	1,808,371
Loan from officers, directors, trustees and key employees:								
Number of returns	2,143	—	—	961	962	1	193	24
Amount	278,609	—	—	29,324	3,555	312	136,637	108,779
Mortgages and other notes payable:								
Number of returns	24,249	87	148	6,498	6,418	3,262	5,110	2,725
Amount	51,845,471	618,402	241,461	842,757	2,215,898	2,216,661	8,698,675	37,011,614
Other liabilities:								
Number of returns	29,391	44	45	6,496	9,200	2,829	8,104	2,669
Amount	43,305,428	1,101	14,156	199,451	301,059	279,639	4,193,193	38,316,826
Total fund balances/net worth:								
Number of returns	75,583	568	1,110	29,054	22,090	6,707	12,732	3,320
Amount	162,860,528	17,316	49,660	1,827,129	6,087,955	5,240,213	36,862,619	112,775,633
Total liabilities and fund balances/net worth:								
Number of returns	75,738	568	1,110	29,054	22,090	6,709	12,834	3,370
Amount	279,638,067	648,598	309,030	3,104,448	9,347,212	8,129,156	54,739,811	203,359,808
Total revenue	196,305,700	-284,316	11,526	1,725,526	5,668,529	4,570,995	37,032,402	147,580,967
Total contributions	41,272,737	239	4,994	659,378	2,713,353	1,686,522	16,178,374	20,031,874
Contributions, gifts and grants received through direct public support:								
Number of returns	55,365	44	1,005	19,408	17,694	5,097	9,320	2,815
Amount	17,293,898	239	3,992	466,783	1,128,905	795,240	5,904,118	8,994,619
Contributions, gifts and grants received through indirect public support:								
Number of returns	13,361	—	—	3,089	3,659	2,133	3,593	885
Amount	4,798,250	—	—	37,431	280,345	268,994	898,801	3,312,677
Contributions, gifts and grants received through government grants:								
Number of returns	24,195	—	43	6,351	7,912	1,736	6,720	1,430
Amount	19,180,588	—	1,002	155,163	1,304,103	622,287	9,373,454	7,724,577

Footnote(s) at end of table.

Table 3. — Returns of Tax-Exempt 501(C)(3)[1] Organizations with Total Revenue: Assets, Liabilities, Revenue and Expenses by Size of Total Revenue, 1982 — Continued

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Items	Total	Size of total revenue						
		Negative, zero or not reported*	$1 under $25,000	$25,000 under $100,000	$100,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Program service revenue:								
Number of returns	45,821	523	43	12,909	15,455	5,103	8,928	2,860
Amount	124,373,343	115	103	414,058	1,738,059	1,954,152	15,930,436	104,306,413
Membership dues and assessments:								
Number of returns	19,436	—	460	10,760	4,971	701	2,296	206
Amount	2,476,706	—	79	263,916	312,938	135,425	690,061	1,074,297
Interest on savings and temporary cash investments:								
Number of returns	55,146	567	629	20,849	15,260	5,257	9,860	2,701
Amount	3,371,905	4,317	3,463	80,941	183,460	157,657	796,296	2,145,748
Dividends and interest from securities:								
Number of returns	12,517	—	—	3,703	2,953	1,154	3,331	1,374
Amount	5,102,368	—	—	42,294	142,669	102,334	946,333	3,866,757
Gross rents:								
Number of returns	12,216	567	147	2,651	4,104	842	2,574	1,328
Amount	1,298,963	79,312	43,093	27,218	418,544	77,819	219,453	433,516
Rental expenses:								
Number of returns	5,695	567	147	1,465	1,611	49	1,107	727
Amount	781,032	96,260	47,587	22,757	271,420	7,584	90,773	244,627
Net rental income (loss):								
Number of returns	12,206	567	147	2,651	4,104	842	2,573	1,318
Amount	517,931	−16,967	−4,491	4,461	147,124	70,235	128,679	188,689
Other investment income:								
Number of returns	2,266	—	1	685	248	194	813	322
Amount	996,394	—	482	1,679	9,575	1,214	120,883	862,559
Gross amount from sale of assets-securities:								
Number of returns	5,877	—	—	614	1,430	533	2,420	878
Amount	35,047,624	—	—	107,605	345,151	293,994	4,368,127	29,932,745
Cost or other basis and sales expenses-securities:								
Number of returns	5,627	—	—	614	1,430	533	2,276	774
Amount	32,374,860	—	—	114,912	336,675	259,504	4,060,785	27,602,983
Gain (loss)-securities:								
Number of returns	5,877	—	—	614	1,430	533	2,422	878
Amount	2,672,764	—	—	−7,307	8,475	34,490	307,342	2,329,762
Gross amount from sale of other assets:								
Number of returns	6,172	480	480	—	1,765	455	1,928	1,060
Amount	1,258,098	158,754	937	—	53,960	61,460	258,609	724,376
Cost or other basis and sales expenses-other assets:								
Number of returns	3,876	480	—	—	832	352	1,386	825
Amount	1,027,032	431,819	—	—	9,963	28,641	126,019	430,589
Gain (loss)-other assets:								
Number of returns	6,823	480	480	—	2,240	454	2,079	1,081
Amount	231,065	−273,064	937	—	43,997	32,818	132,590	293,787
Total gain (loss) from sale of assets:								
Number of returns	11,022	480	480	614	2,948	986	3,854	1,657
Amount	2,903,830	−273,064	937	−7,307	52,472	67,309	439,932	2,623,549
Gross revenue-special fundraising events:								
Number of returns	15,946	43	1	8,274	3,747	2,099	1,550	230
Amount	1,641,390	44	3,306	238,048	251,234	309,186	610,065	229,501
Direct expenses:								
Number of returns	13,644	43	1	7,313	3,061	1,792	1,231	201
Amount	741,843	38	3,302	128,338	115,340	122,013	314,678	60,132
Net income (loss):								
Number of returns	16,144	43	1	8,377	3,747	2,099	1,652	222
Amount	899,545	6	3	111,711	135,893	187,174	295,367	169,368
Gross sales minus returns and allowances:								
Number of returns	13,891	1	961	4,050	4,770	1,348	1,929	829
Amount	7,960,114	5,969	27,098	105,365	222,204	142,413	1,272,873	6,184,169
Cost of goods sold:								
Number of returns	12,903	1	961	3,569	4,769	1,142	1,775	683
Amount	2,979,252	6,213	21,544	59,393	151,452	133,435	641,911	1,965,302
Gross profit (loss):								
Number of returns	13,846	1	961	4,050	4,770	1,348	1,885	828
Amount	4,980,862	−244	5,554	45,991	70,752	8,979	630,962	4,218,866
Other revenue:								
Number of returns	37,728	524	1	11,467	11.177	4,013	8,078	2,465
Amount	9,410,072	1,280	398	108,399	162,297	199,989	877,052	8,060,653
Total expenses	181,298,552	7,917	9,420	1,657,860	5,164,421	4,247,539	33,777,958	136,433,435
Program services:								
Number of returns	68,978	567	962	25,440	19,587	6,515	12,658	3,247
Amount	151,667,591	914	8,990	1,231,813	3,914,989	3,350,703	27,995,724	115,164,454
Management and general:								
Number of returns	59,731	523		21,594	17,696	6,368	10,821	2,724
Amount	27,424,768	6,970		388,647	1,0[illegible]1,003	801,427	5,072,081	20,074,838
Fundraising:								
Number of returns	17,522	—	1	4,531	5,574	2,151	4,035	1,228
Amount	1,651,038	—	392	37,399	61,843	80,725	524,439	946,239
Payments to affiliates:								
Number of returns	3,113	480	480	—	730	685	655	80
Amount	555,154	32	38	—	106,585	14,883	185,712	248,102

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[1] Excluding Private Foundations.

Note: — Indicates not reported.

Detail may not add to total because of rounding.

Table 4. — Returns of Tax-Exempt 501(C)(3)[1] Organizations with Total Functional Expenses by Size of Total Contributions Received, 1982

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Items	Total	Size of total contributions received						
		Negative, zero or not reported	$1 under $25,000	$25,000 under $100,000	$100,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $10,000,000	$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns of 501(C)(3) returns	75,736	15,712	17,400	15,466	16,226	3,795	6,700	435
Total functional expenditures	180,777,090	26,960,959	10,588,623	14,969,669	32,233,571	17,248,418	49,291,993	29,463,836
Total grants and allocations:								
Number of returns	16,443	2,566	6,343	1,659	3,462	584	1,300	325
Amount	7,864,706	308,925	202,712	121,870	325,560	313,625	2,214,537	4,377,475
Total specific assistance to individuals:								
Number of returns	4,704	484	586	1,173	1,210	400	827	21
Amount	8,838,154	7,884,490	8,551	18,022	30,897	44,645	643,092	208,154
Total benefits paid to or for members:								
Number of returns	1,634	503	484	485	114	9	28	8
Amount	312,553	136,123	21,928	65,590	29,542	1,775	10,544	47,049
Total compensation of officers, directors:								
Number of returns	23,111	4,307	3,839	5,043	6,606	1,084	1,906	321
Amount	1,406,069	214,236	102,062	205,938	347,034	90,561	347,007	99,226
Total other salaries and wages:								
Number of returns	55,306	9,741	10,443	11,072	13,726	3,524	6,387	412
Amount	70,251,632	5,493,381	4,594,554	6,496,222	13,792,589	7,694,686	21,009,399	11,170,797
Total pension plan contributions:								
Number of returns	17,370	1,687	1,914	3,421	5,240	1,553	3,211	341
Amount	2,436,361	203,252	111,828	203,296	465,456	236,001	702,663	513,659
Total other employee benefits:								
Number of returns	37,176	4,953	5,360	6,459	11,644	3,219	5,153	365
Amount	5,704,169	501,236	291,435	524,995	1,077,733	654,334	1,797,949	856,503
Total payroll taxes:								
Number of returns	42,750	8,173	7,412	8,065	11,696	2,076	4,972	346
Amount	4,026,937	329,780	294,021	361,863	787,571	411,393	1,261,497	561,010
Total professional fundraising fees:								
Number of returns	1,941	2	482	54	429	327	505	140
Amount	69,405	59	1,062	956	5,487	6,399	39,027	16,392
Total accounting fees:								
Number of returns	43,411	9,601	9,229	7,014	10,696	2,396	4,147	327
Amount	376,191	53,563	26,530	34,662	85,433	35,324	117,077	23,376
Total legal fees:								
Number of returns	20,110	5,325	3,373	3,354	3,079	2,166	2,505	307
Amount	379,969	50,285	26,210	33,164	56,343	37,974	135,616	39,351
Total supplies:								
Number of returns	57,566	9,403	12,378	11,748	14,355	3,269	6,034	375
Amount	14,099,705	1,237,590	1,146,197	1,457,272	3,128,096	1,676,916	3,740,136	1,711,495
Total telephone:								
Number of returns	56,479	10,759	12,306	10,910	13,742	3,369	5,021	360
Amount	1,282,037	108,993	70,292	89,327	216,114	128,523	426,959	241,826
Total postage and shipping:								
Number of returns	45,395	6,552	10,734	8,720	11,847	2,835	4,362	345
Amount	596,609	57,703	27,641	26,403	66,966	36,310	201,252	156,530
Total occupancy:								
Number of returns	36,066	5,562	5,893	6,576	10,009	2,401	5,259	342
Amount	4,117,020	259,407	139,436	373,031	690,395	339,103	1,589,617	726,027
Total equipment rental and maintenance:								
Number of returns	39,503	4,544	7,053	8,832	11,213	2,896	4,619	343
Amount	2,243,876	190,990	115,007	181,830	379,059	215,122	646,961	512,906
Total printing and publications:								
Number of returns	41,312	6,901	7,201	9,302	11,346	2,376	3,850	333
Amount	1,073,817	120,242	21,368	66,536	200,421	80,296	337,827	267,122
Total travel:								
Number of returns	44,646	7,329	8,162	9,056	11,144	2,963	5,630	359
Amount	1,359,346	134,464	43,092	56,624	156,855	80,505	477,954	409,849
Total conferences, conventions and meetings:								
Number of returns	27,906	6,429	5,651	4,187	7,282	1,303	2,779	272
Amount	368,510	114,276	17,230	30,922	41,826	26,141	86,749	51,360
Total interest:								
Number of returns	23,661	3,666	5,616	4,001	6,616	1,149	2,558	272
Amount	3,426,471	663,599	312,043	346,666	728,448	339,878	684,777	350,858
Total depreciation, depletion:								
Number of returns	31,622	4,702	5,622	6,859	8,182	2,018	3,920	315
Amount	4,993,642	532,699	411,257	605,662	1,251,650	668,613	1,159,725	363,603
Total other expenses:								
Number of returns	73,170	15,442	16,348	14,880	15,632	3,749	6,684	433
Amount	45,547,655	8,365,632	2,604,604	3,646,406	8,346,062	4,148,062	11,659,416	6,777,251

[1] Excluding Private Foundations.

Note: — Indicates Not Reported.
Detail may not add to total because of rounding.

Individual Income Tax Rates, 1983

By Daniel Holik*

The Economic Recovery Tax Act of 1981 introduced major changes in the rate schedules used to compute individual income taxes, providing for annual cuts in tax rates through Tax Year 1984 [1]. Individual income tax rate data for Tax Year 1983 reflect the impact of the third year of tax rate cuts [2]. The average tax rate on returns that showed a tax fell from 15.4 percent of adjusted gross income (AGI) for 1982 to 14.4 percent for 1983 (Figure A). The average total income tax reported per return for 1983 was $3,514, a $90 decrease from 1982, as shown in Figure B.

The AGI class of the median taxable return for the 1983 statistics remained the same as for 1981 and 1982--between $17,000 and $19,000, even though the adjusted gross income reported on taxable returns [3], rose by $91.4 billion (5 percent) from Tax Year 1982 to Tax Year 1983. For further information on the number of returns, income tax, and average tax by size of AGI, see Table 3 of the Selected Statistical Series at the end of this report.

CALCULATION OF TAXES FOR 1983

For Tax Year 1983, taxpayers used one of four different tax rate schedules [4], depending on the taxpayer's filing status. There were separate schedules for: married persons filing joint returns [5]; married persons filing returns separately from their spouses; individuals qualifying as heads of households; and single individuals. Each schedule contained rates ranging from 0 through 50 percent [6].

Figure A.--Taxable Returns: Adjusted Gross Income, Total Income Tax, Average Total Income Tax, and Average Tax Rate, 1979-1983

Item	Tax year				
	1979	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)
Total number of returns.............	92,694,302	93,902,469	95,396,123	95,337,432	96,321,310
Taxable returns:					
Number of returns....................	71,694,983	73,906,244	76,724,724	77,035,300	78,016,323
Adjusted gross income (billions).....	$1,402	$1,556	$1,721	$1,804	$1,895
Total income tax (billions)..........	214	250	284	278	274
Average total income tax (dollars)...	2,992	3,387	3,703	3,604	3,514
Average tax rate.....................	15.3%	16.1%	16.5%	15.4%	14.4%

NOTE: The average total income tax per return and average tax rate were calculated before rounding. Average tax rate was computed as a percent of adjusted gross income.

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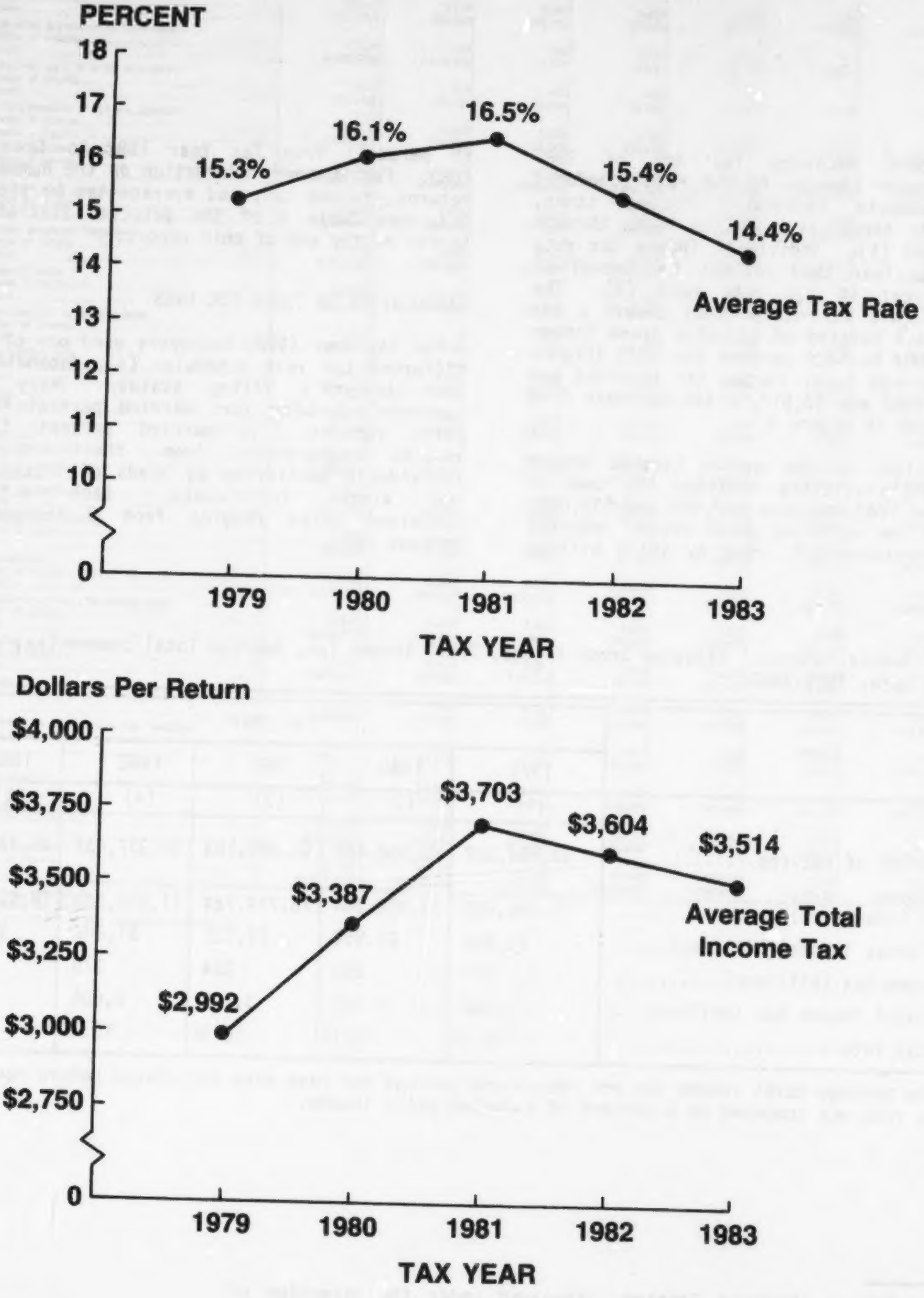
*Individual Returns Analysis Section. Prepared under the direction of Susan Hostetter, Chief.

Figure B.
Taxable Returns: Average Tax Rate and Average Total Income Tax, 1979-1983



The application of different tax rates from a schedule to a particular return is illustrated in Figure C, which shows how tax was calculated for 1983 for a married couple filing a joint return with a $22,000 AGI. Taxpayers who filed joint returns for 1983 had a tax rate of zero percent applied to the first $3,400 of taxable income [7,8], a rate of 11 percent applied to the next $2,100, a rate of 13 percent applied to the next $2,100, and so forth.

Figure C.--Calculation of Tax, Joint Return With Income Subject to Tax at Regular Rates, 1983

Adjusted gross income	$22,000
Exemption amount (2 X $1,000)	-2,000
Taxable income..........................	$20,000

Derivation of Tax Computed from the Tax Rate Schedule:

First $3,400 taxed at 0%	$0
Next $2,100 taxed at 11%	231
Next $2,100 taxed at 13%	273
Next $4,300 taxed at 15%	645
Next $4,100 taxed at 17%	697
Next $4,000 taxed at 19%	760
$20,000	
Tax	$2,606

To simplify tax computation and reduce errors, taxpayers with less than $50,000 of taxable income and who did not "income average" were required to use the 1983 Tax Table instead of the tax rate schedules to determine tax. The tax shown in the Tax Table is equal to the tax on the midpoint of the income bracket, as calculated from the appropriate tax rate schedule, rounded to the nearest whole dollar. According to the 1983 Tax Table, the tax for married taxpayers filing a joint return with $20,000 to $20,050 of income was $2,611. Note that in this example, the Tax Table tax shown is greater than the tax computed from the tax rate schedule (Figure C), since the tax table tax was computed on the midpoint ($20,025) of the $20,000 to $20,050 income bracket.

The regular and income averaging methods of tax computation were the only methods of tax computation available for Tax Year 1983 [4, 8]. Choice of the income averaging computation permitted part of an unusually large amount of income for 1983 to be taxed at lower rates, thus resulting in a lower amount of tax due than would have resulted if taxpayers had computed their tax using the regular method. If the income averaging computation was used, the income tax before credits had to be computed from the tax rate schedules rather than the Tax Tables.

Marginal Tax Rates

As shown in Figure C, a particular return can have portions of income taxed at different rates. However, each return has only one marginal tax rate, which is the highest tax rate applied to that return. In Figure C, the taxpayers had portions of income taxed at six tax rates ranging from 0 percent to 19 percent. The marginal tax rate is the highest rate used, in this instance 19 percent.

Marginal tax rate data for Tax Year 1983 are presented in Tables 1 and 2 [8]. Returns are classified by two different methods in Table 1. In columns 1 through 9, a return is classified by the marginal or highest rate. For example, Table 1, line 7, column 1, shows that there were 1,187,845 returns for which the marginal tax rate was 18 percent, while columns 5 and 6 show that, for these returns, the amount of tax generated at the 11 through 18 percent rates totaled $1.3 billion and the amount of tax generated solely at the marginal rate of 18 percent totaled $0.3 billion. (Note that dollar amounts presented in this section and in the tables were rounded during statistical processing.) In columns 10 through 12, a return is classified by each rate that generated a tax. For example, line 7, columns 10, 11, and 12, shows that 4,114,060 returns had income taxed at the 18 percent rate; $10.8 billion of this income was taxed at the 18 percent rate and $1.9 billion of income tax was generated at the 18 percent tax rate, respectively.

The amount of tax generated by each specific tax rate, ranging from 11 to 50 percent, as well as the corresponding number of returns and the amount of income subject to tax, are presented in Table 2. These data are classified by size of AGI. For example, line 9, columns 1, 7, 8 and 9, show that of the 4,967,333 returns with an AGI between $14,000 and $16,000 and with income subject to tax, 4,942,255 returns had a portion of income taxed at the 11 percent rate (just to pick one rate). These 4,942,255 returns had $8.2 billion of income subject to tax at the 11 percent rate, which generated $0.9 billion of tax.

Definitions

Individual income tax concepts are complex, and complete definitions of all tax concepts are beyond the scope of this article. Extensive definitions of the technical terms used in this article and tables--for example, taxable income, tax generated and income averaging, may be found in the Statistics of Income report for 1983. The following list presents brief definitions of the major tax concepts discussed in this article.

Adjusted Gross Income.--Adjusted gross income (AGI) was computed by subtracting statutory adjustments (primarily business, investment or employee-related deductions, such as payments to an IRA), from total income recognized under the tax code. Total income, in turn, included only the net amounts from salaries and wages, business income, capital gains, rents, royalties, etc.

Total Income Tax.--Total income tax was the sum of income tax after credits and the additional tax for tax preferences (primarily the alternative minimum tax).

Average Tax Rate.--The average tax rate presented in this article was the ratio of total income tax to AGI.

Marginal Tax Rate.--The marginal tax rate was the highest tax rate applied to any portion of income from a return.

Income Subject To Tax.--Income subject to tax was the technical term used to describe the actual tax base computed for the statistics. For taxpayers using the regular tax computation method, income subject to tax was identical to "taxable income" (AGI less the personal exemption amount and allowable itemized deductions). For taxpayers using the income averaging method, income subject to tax was specially computed for the statistics by working backwards from the tax and imputing an income from the tax reported as if income averaging had not been used.

Tax Generated.--This was the tax computed from the tax rate schedules on the amount of income subject to tax shown in the statistics. For most returns (those without one of the "taxes from special computations") [9], tax generated equalled income tax before credits.

DATA SOURCES AND LIMITATIONS

These statistics are based on a sample of individual income tax returns, Forms 1040, 1040A, and 1040EZ, filed with the Internal Revenue Service in 1984. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Profession; state for which filed; adjusted gross income or deficit, or largest of selected sources of income or loss; and size of business plus farm receipts. Returns were selected at rates ranging from 0.03 percent to 100 percent, resulting in 122,977 returns being selected from a population of 96,563,687.

Because the data presented in this article are estimates based on a sample, they are subject to sampling, as well as nonsampling, error. To make proper use of the statistical data provided, one must know the magnitude of the potential sampling error.

The following table presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data.

For a number other than those shown, the corresponding CV's can be estimated by interpolation.

Number of Returns	Approximate Coefficient of Variation
7,123,800	0.02
1,139,812	0.05
285,000	0.10
71,200	0.20
31,700	0.30
11,400	0.50

The reliability of estimates based on samples, the use of coefficients of variation for evaluating the precision of sample estimates, and nonsampling error considerations are discussed in the Appendix.

NOTES AND REFERENCES

[1] The Economic Recovery Tax Act of 1981 also provided for indexing of the Tax Rate Schedules and the exemption amount, beginning with Tax Year 1985.

[2] For further information on tax law changes for 1983, see the Statistics of Income report for 1983.

[3] A return was considered to be taxable if "total income tax" (the sum of income tax after credits and additional tax for tax preferences) was present. "Total income tax" did not include other taxes, such as tax from recomputing prior-year investment credit, self-employment tax, Social Security tax on tips, etc.

[4] In addition, certain income and deduction items, described as "tax preferences," were given special treatment in the computation of tax, and were subject to the alternative minimum tax instead of tax computed from the tax rate schedules. For Tax Year 1983, the alternative minimum tax, if any, was imposed on "alternative minimum taxable income" at a 20 percent rate.

[5] Taxpayers claiming surviving spouse status used the same tax rate schedule as married taxpayers filing joint returns.

[6] The 1983 tax rate schedules were published in the 1983 Instructions for Preparing Form 1040, page 41.

[7] Tables 1 and 2 use the concept of "income subject to tax" as well as "taxable income." Technical explanations of "taxable income" and "income subject to tax" are presented in the Definitions Section of this article.

[8] Tables 1 and 2 use the concept of income subject to tax, and include returns with the regular or the income averaging tax computation. For returns with the regular method of tax computation, income subject to tax was the amount taxpayers used with the tax tables or the tax rate schedules to determine tax. Income averaging returns are shown in the same manner as returns with the regular tax computation, except that an imputed income subject to tax that does not take averaging into account is used for the sake of simplifying statistical processing in determining the marginal tax rate.

Tables 1 and 2 do not include any tax attributable to the alternative minimum tax. This tax was computed on a different base. For further information on the alternative minimum tax, see the Statistics of Income report for 1983.

[9] Taxes from special computations included Section 72 penalty tax from premature or excess distributions from a self-employed retirement (Keogh) plan or a trust, tax on accumulation distributions of trusts, and the tax on the ordinary income part of lump-sum distribution.

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	All returns											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All marginal rates	**90,816,724**	**1,957,193,414**	**1,538,238,251**	**239,241,583**	**279,043,943**	**71,335,843**	**271,627,294**	**13.9**	**17.7**	**90,816,724**	**1,538,238,251**	**279,043,943**
0 percent	10,241,631	37,194,104	13,714,544	13,714,544	—	—	13,211	( )	0.1	90,816,724	244,629,400	—
11 percent	6,673,952	40,177,805	22,888,546	5,173,116	565,750	569,043	389,212	1.0	1.7	80,575,093	132,283,808	14,549,019
13 percent	5,785,666	46,705,993	30,002,854	4,664,165	1,658,746	606,341	1,366,675	2.9	4.6	73,901,141	119,674,963	15,557,745
15 percent	14,132,745	146,167,801	107,581,130	27,433,935	9,172,708	4,115,090	8,694,261	5.9	8.1	66,115,475	246,393,466	36,959,020
17 percent	8,330,386	130,980,131	100,516,110	13,686,606	10,859,747	2,326,723	10,434,066	8.0	10.4	49,866,670	156,951,636	27,021,779
18 percent	1,187,845	16,032,172	12,093,591	1,759,340	1,306,750	316,681	1,139,362	7.1	9.4	4,114,060	10,830,608	1,949,509
19 percent	9,101,399	181,560,055	142,611,434	15,673,570	17,678,780	2,977,976	17,009,073	9.4	11.9	44,464,496	136,879,346	26,387,076
21 percent	2,882,329	48,418,213	41,796,729	3,314,801	5,680,707	696,105	5,585,574	11.5	13.4	12,744,724	25,424,386	5,339,124
23 percent	5,625,610	161,036,492	125,239,845	12,383,546	17,617,108	2,848,216	17,092,512	10.6	13.6	22,618,376	86,856,833	19,931,072
24 percent	2,679,437	50,199,334	44,327,567	4,136,012	6,610,080	992,643	6,583,097	13.1	14.9	6,590,970	23,052,916	5,532,700
25 percent	717,736	18,204,550	14,797,002	1,734,170	2,351,094	433,543	2,270,973	12.5	15.3	1,271,425	4,666,711	1,167,178
26 percent	5,624,855	190,928,162	151,582,127	14,043,195	24,089,005	3,651,231	23,465,966	12.3	15.5	16,992,766	73,876,374	19,207,867
28 percent	2,862,298	66,881,624	59,050,136	6,956,312	10,146,846	1,947,767	10,077,196	15.1	17.1	5,911,533	23,117,256	6,472,832
29 percent	298,656	9,332,863	7,691,227	668,064	1,388,107	193,736	1,352,963	14.5	17.6	553,687	2,018,656	585,411
30 percent	4,197,801	166,949,150	135,097,874	10,247,255	24,092,192	3,074,176	23,495,365	14.1	17.4	11,367,911	47,949,722	14,384,916
32 percent	1,580,014	46,353,361	40,792,587	3,862,258	8,042,608	1,171,923	7,998,022	17.3	19.6	3,049,235	11,449,130	3,663,722
34 percent	122,785	4,649,393	3,831,577	295,369	779,852	100,425	756,403	16.3	19.7	254,829	995,202	338,369
35 percent	4,049,996	196,355,444	159,351,255	17,560,058	32,826,445	6,146,020	32,249,623	16.4	20.2	7,170,110	50,266,506	17,593,277
36 percent	672,438	23,963,829	20,825,886	1,459,664	4,590,018	525,486	4,547,252	19.0	21.8	1,469,221	5,882,634	2,045,748
37 percent	80,667	3,679,286	3,067,025	316,280	708,750	117,024	702,080	19.1	22.9	132,044	860,876	318,524
40 percent	2,088,920	122,911,744	100,207,344	10,836,295	24,561,001	4,254,516	24,128,382	19.6	24.1	3,916,807	33,765,855	13,506,342
44 percent	842,641	72,073,205	57,489,163	7,905,237	16,692,556	3,478,304	16,281,626	22.6	28.3	1,477,672	23,729,807	10,441,115
45 percent	236,934	13,279,935	11,122,593	1,289,832	3,165,958	580,424	3,132,775	23.6	28.2	421,682	3,839,354	1,727,709
48 percent	261,970	30,712,886	24,437,534	2,574,961	8,191,400	1,235,991	7,959,303	25.9	32.6	635,031	11,307,825	5,427,756
50 percent	557,809	132,465,862	108,122,560	57,952,957	46,267,725	28,976,479	44,882,276	33.8	41.5	557,809	57,952,957	28,976,479

Footnote(s) at end of table

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed — Continued

(All figures are estimates based on samples — money amounts are in thousands of dollars)

Tax rate classes	Joint returns and returns of surviving spouses											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All marginal rates	**44,487,300**	**1,371,571,078**	**1,057,164,106**	**189,545,805**	**203,303,186**	**52,286,640**	**197,574,372**	**14.4**	**18.7**	**44,487,300**	**1,057,164,106**	**203,303,186**
0 percent	2,609,092	17,172,536	4,852,307	4,852,307	—	—	12,033	0.1	0.2	[1]4,487,300	147,238,214	—
11 percent	2,186,154	20,071,766	9,742,251	2,309,327	252,944	254,026	177,704	0.9	1.8	41,878,208	85,662,641	9,422,880
13 percent	2,254,761	25,052,882	14,816,566	2,415,381	833,740	313,999	731,345	2.9	4.9	39,692,054	81,033,696	10,534,360
15 percent	4,945,106	72,060,407	48,226,391	10,643,586	4,086,470	1,596,538	3,825,108	5.3	7.9	37,437,293	150,359,990	22,553,998
17 percent	4,609,175	92,121,746	67,047,747	9,818,565	7,192,362	1,669,156	6,803,109	7.4	10.1	32,492,187	123,318,914	20,964,215
18 percent	—	—	—	—	—	—	—	—	—	—	—	—
19 percent	5,366,912	127,677,003	97,236,935	11,366,343	12,064,142	2,159,605	11,564,596	9.0	11.9	27,683,012	105,093,963	19,967,853
21 percent	—	—	—	—	—	—	—	—	—	—	—	—
23 percent	5,548,281	159,934,631	124,385,834	12,310,556	17,498,130	2,831,426	16,977,153	10.6	13.6	22,316,100	86,088,962	19,800,461
24 percent	—	—	—	—	—	—		—	—	—	—	—
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	5,557,172	189,798,481	150,679,699	13,973,267	23,947,139	3,633,050	23,346,563	12.3	15.5	16,767,819	73,389,690	19,081,321
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
29 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	4,153,411	186,068,866	134,376,074	10,189,085	23,963,039	3,056,726	23,372,389	14.1	17.4	11,210,647	47,592,436	14,277,731
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	4,008,322	195,263,478	158,468,745	17,446,211	32,641,970	6,106,174	32,086,614	16.4	20.2	7,057,236	49,785,899	17,425,065
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
40 percent	1,659,024	105,574,823	85,348,381	9,365,082	20,889,718	3,746,033	20,485,955	19.4	24.0	3,050,914	29,129,920	11,651,968
44 percent	796,143	69,419,426	55,423,174	7,654,594	16,117,013	3,368,021	15,719,282	22.6	28.4	1,391,890	22,905,717	10,078,516
45 percent	—	—	—	—	—	—	—	—	—	—	—	—
48 percent	244,379	29,296,063	23,361,014	2,442,171	7,838,272	1,172,242	7,613,064	26.0	32.6	595,747	10,804,730	5,186,270
50 percent	351,368	101,858,928	83,198,986	44,750,327	35,978,248	22,379,664	34,879,449	34.2	41.9	351,368	44,750,327	22,379,664

Footnote(s) at end of table

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	Separate returns of husbands and wives											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All marginal rates	866,026	12,277,376	9,496,114	1,927,450	1,909,378	702,886	1,945,688	15.8	20.5	866,026	9,496,114	1,909,379
0 percent	78,214	217,288	65,069	65,069	—	—	(¹)	( )	( )	866,026	1,407,748	—
11 percent	65,715	305,938	141,448	29,733	3,237	3,271	2,832	0.9	2.0	788,812	780,034	86,904
13 percent	70,827	351,723	231,087	36,312	12,869	4,721	13,363	3.8	5.8	724,087	722,240	93,882
15 percent	114,098	789,575	557,940	124,360	47,350	18,055	42,846	5.4	7.7	653,270	1,283,588	192,538
17 percent	129,401	1,144,272	912,933	142,997	98,579	24,310	96,707	8.5	10.6	539,172	983,028	167,115
18 percent	—	—	—	—	—	—	—	—	—	—	—	—
19 percent	107,495	1,195,503	973,884	113,924	120,008	21,646	115,435	9.7	11.9	409,771	748,704	142,254
21 percent	—	—	—	—	—	—	—	—	—	—	—	—
23 percent	77,329	1,101,861	854,011	72,998	118,079	16,787	115,356	10.5	13.5	302,276	567,871	130,610
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	67,683	1,129,881	902,429	69,029	141,886	18,181	139,424	12.3	15.4	224,947	486,678	126,536
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
29 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	44,388	880,264	721,800	58,169	129,157	17,451	122,987	14.0	17.0	157,264	357,285	107,186
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	43,674	1,091,986	882,510	113,847	184,477	39,847	163,009	16.8	20.7	112,874	480,607	168,213
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
40 percent	34,795	1,064,299	989,880	73,074	209,003	29,230	205,743	19.3	23.7	69,200	317,350	126,940
44 percent	17,890	728,553	607,905	70,935	174,520	31,211	171,484	23.5	28.2	34,405	282,212	124,173
45 percent	—	—	—	—	—	—	—	—	—	—	—	—
48 percent	8,871	444,094	327,808	33,727	109,898	16,189	109,486	24.7	33.4	16,506	148,363	71,224
50 percent	9,635	1,832,381	1,449,413	922,379	647,635	461,189	626,969	34.2	43.3	9,635	922,379	461,189

Footnote(s) at end of table.

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed — Continued

(All figures are estimates based on samples — money amounts are in thousands of dollars)

Tax rate classes	Returns of heads of households											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All marginal rates	**8,082,248**	**118,481,801**	**87,907,139**	**13,313,842**	**12,598,378**	**2,931,611**	**11,581,368**	**9.8**	**13.2**	**8,082,248**	**87,907,139**	**12,588,378**
0 percent	926,665	4,022,106	1,153,277	1,153,277	—	—	7	( )	( )	8,082,248	17,611,118	—
11 percent	1,011,994	6,506,690	3,367,112	1,039,525	113,845	114,348	14,975	0.2	0.4	7,155,583	13,941,062	1,533,517
13 percent	978,464	8,547,756	5,344,619	1,039,378	360,655	135,119	161,589	1.9	3.0	6,143,589	11,886,140	1,545,198
15 percent	1,051,065	11,216,106	7,675,059	1,043,136	685,687	156,470	536,272	4.8	6.8	5,165,125	10,094,069	1,514,110
17 percent	—	—	—	—	—	—	—	—	—	—	—	—
18 percent	1,187,845	16,032,172	12,093,591	1,759,340	1,306,730	316,681	1,139,362	7.1	9.4	4,114,060	10,830,606	1,949,509
19 percent	1,035,796	17,605,418	13,809,767	1,587,350	1,742,886	301,597	1,607,191	9.1	11.6	2,926,215	7,636,685	1,450,970
21 percent	618,992	12,776,889	10,193,136	908,256	1,428,383	190,734	1,362,905	10.7	13.4	1,890,417	4,976,816	1,045,131
23 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	717,736	18,204,550	14,797,002	1,734,170	2,351,094	433,543	2,270,973	12.5	15.3	1,271,425	4,668,711	1,167,178
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
29 percent	298,858	9,332,863	7,691,227	868,064	1,388,107	193,739	1,352,983	14.5	17.6	553,687	2,018,658	585,411
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	122,785	4,649,393	3,831,577	295,369	779,852	100,425	756,403	16.3	19.7	254,829	995,202	338,369
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	80,667	3,679,286	3,067,025	316,280	708,750	117,024	702,080	19.1	22.9	132,044	860,876	318,524
40 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	28,599	1,925,225	1,458,084	179,708	401,022	79,072	390,861	20.3	26.8	51,377	541,878	238,427
45 percent	—	—	—	—	—	—	—	—	—	—	—	—
48 percent	10,720	972,709	748,714	99,082	243,237	47,559	236,741	24.3	31.6	22,778	354,712	170,262
50 percent	12,058	3,010,636	2,476,950	1,490,605	1,088,109	745,303	1,049,026	34.8	42.4	12,058	1,490,605	745,303

Footnote(s) at end of table.

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed — Continued

(All figures are estimates based on samples -- money amounts are in thousands of dollars)

Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All marginal rates	**37,381,150**	**454,863,162**	**383,668,892**	**64,454,787**	**61,144,001**	**15,414,906**	**60,525,897**	**13.3**	**15.8**	**37,381,150**	**383,668,892**	**61,144,001**
0 percent	6,629,660	15,782,196	7,643,891	7,643,891	—	—	1,172	( )	( )	37,381,150	78,372,318	—
11 percent	3,410,089	13,293,413	9,637,736	1,794,531	195,725	197,398	193,702	1.5	2.0	30,751,490	31,870,072	3,505,708
13 percent	2,481,614	12,753,632	9,610,582	1,173,094	451,482	152,502	460,376	3.6	4.8	27,341,401	26,032,881	3,384,275
15 percent	8,022,476	62,101,714	50,921,740	15,622,845	4,353,199	2,343,427	4,290,036	6.9	8.4	24,859,787	84,655,820	12,698,373
17 percent	3,391,810	37,694,111	32,555,429	3,725,044	3,568,806	633,258	3,534,248	9.4	10.9	16,837,311	34,649,697	5,890,448
18 percent	—	—	—	—	—	—	—	—	—	—	—	—
19 percent	2,591,194	34,882,131	30,590,848	2,605,952	3,750,942	495,131	3,721,851	10.7	12.2	13,445,501	25,399,997	4,825,999
21 percent	2,263,337	35,641,323	31,603,592	2,406,545	4,252,323	505,374	4,222,669	11.8	13.4	10,854,307	20,447,582	4,293,992
23 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	2,679,437	50,199,334	44,327,567	4,136,012	6,610,080	992,643	6,583,097	13.1	14.9	8,590,970	23,052,918	5,532,700
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	2,862,200	66,881,624	59,050,136	6,956,312	10,146,846	1,947,767	10,077,198	15.1	17.1	5,911,533	23,117,258	6,472,832
29 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	1,580,014	46,353,361	40,792,587	3,662,258	8,042,609	1,171,923	7,998,022	17.3	19.6	3,049,236	11,449,130	3,663,722
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	672,438	23,963,829	20,825,898	1,459,684	4,590,018	525,486	4,547,252	19.0	21.8	1,469,221	5,682,634	2,045,748
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
40 percent	375,101	16,272,622	13,989,083	1,198,139	3,462,279	479,255	3,436,683	21.1	24.6	796,783	4,318,585	1,727,434
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
45 percent	236,934	13,279,935	11,122,593	1,289,832	3,165,958	580,424	3,132,775	23.6	28.2	421,682	3,839,354	1,727,709
48 percent	—	—	—	—	—	—	—	—	—	—	—	—
50 percent	184,748	25,763,937	20,997,210	10,780,646	8,553,733	5,390,323	8,326,815	32.3	39.7	184,748	10,780,646	5,390,323

*Estimate should be used with caution because of the small number of sample returns on which it is based

( ) Less than $500

( ) Less than 0.05 percent

NOTE: Detail may not add to total because of rounding

Table 2 — All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples — money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns with income subject to tax	Taxable income	Income subject to tax	Tax generated at all rates	Tax generated at specified rate										
					0 percent		11 percent			13 percent			15 percent		
					Number of returns	Income subject to tax	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total	**90,816,724**	**1,544,872,497**	**1,538,238,251**	**279,043,943**	**90,816,724**	**244,629,400**	**90,575,093**	**132,263,809**	**14,549,019**	**73,901,141**	**119,674,963**	**15,557,745**	**68,115,475**	**246,393,466**	**36,959,019**
Under $2,000	2,931,010	2,104,290	2,104,501	11,541	2,931,010	1,998,461	266,509	106,040	11,664	—	—	—	—	—	—
$2,000 under $4,000	6,566,126	12,170,905	12,171,897	119,639	6,566,126	11,106,347	2,023,582	915,867	100,745	221,453	126,994	16,769	65,996	20,669	3,103
$4,000 under $6,000	6,692,391	22,105,060	22,127,386	894,415	6,692,391	14,530,237	5,144,005	5,014,713	551,618	3,268,023	2,097,564	272,683	1,119,033	484,873	72,731
$6,000 under $8,000	6,637,656	32,387,493	32,429,758	2,099,534	6,637,656	16,109,910	5,695,015	6,547,311	720,204	4,417,252	4,215,512	548,016	3,747,458	5,529,518	829,427
$8,000 under $10,000	6,543,425	43,625,921	43,622,758	3,553,309	6,543,425	16,840,066	6,260,118	8,780,681	965,874	5,340,297	5,908,317	768,081	4,055,349	11,706,678	1,756,001
$10,000 under $12,000	5,876,314	49,351,770	49,413,112	4,646,716	5,876,314	15,582,263	5,768,037	8,920,646	981,271	5,513,114	7,504,605	975,598	4,542,346	13,550,251	2,032,537
$12,000 under $14,000	5,348,779	54,364,140	54,391,155	5,705,064	5,348,779	14,532,755	5,295,094	8,572,498	942,974	5,167,737	7,969,142	1,035,988	4,866,832	14,768,783	2,215,317
$14,000 under $16,000	4,967,333	59,927,343	59,885,467	6,885,416	4,967,333	13,747,098	4,942,255	8,186,999	900,569	4,882,380	7,812,511	1,015,626	4,778,044	16,747,649	2,512,147
$16,000 under $18,000	4,377,105	60,065,420	60,025,249	7,384,784	4,377,105	12,313,067	4,354,144	7,364,880	810,136	4,321,856	7,114,037	924,824	4,268,463	16,015,094	2,402,264
$18,000 under $20,000	3,926,498	60,671,717	60,595,501	7,856,692	3,926,498	11,316,610	3,915,816	6,796,289	747,591	3,901,226	6,607,797	859,013	3,876,062	15,072,742	2,260,911
$20,000 under $25,000	8,826,608	161,101,190	160,769,897	22,534,160	8,826,608	26,251,813	8,810,602	15,839,618	1,742,358	8,785,278	15,504,475	2,015,581	8,738,996	35,089,883	5,263,482
$25,000 under $30,000	7,350,022	163,111,031	162,664,353	24,890,722	7,350,022	22,652,066	7,341,395	13,810,765	1,519,184	7,335,093	13,638,755	1,773,038	7,321,412	29,934,220	4,490,133
$30,000 under $40,000	10,409,410	288,405,358	287,277,250	48,825,278	10,409,410	33,560,808	10,402,562	20,529,165	2,258,208	10,395,150	20,384,451	2,649,978	10,386,374	43,560,846	6,534,126
$40,000 under $50,000	5,142,898	181,289,066	180,211,877	35,387,232	5,142,898	16,915,361	5,137,098	10,362,857	1,139,914	5,135,804	10,318,717	1,341,433	5,134,477	21,782,244	3,267,336
$50,000 under $75,000	3,583,452	166,095,719	164,670,050	38,812,146	3,583,452	11,815,143	3,581,707	7,235,261	795,878	3,579,800	7,205,859	936,761	3,578,909	15,215,499	2,282,324
$75,000 under $100,000	820,491	54,345,021	53,595,114	15,528,930	820,491	2,667,405	820,252	1,647,423	181,216	820,209	1,639,799	213,173	819,433	3,464,191	519,628
$100,000 under $200,000	619,480	63,715,875	62,721,302	22,133,880	619,480	2,027,838	619,274	1,241,639	136,580	618,912	1,235,601	160,628	618,803	2,616,947	392,542
$200,000 under $500,000	161,643	36,602,283	36,192,688	15,639,100	161,643	524,924	161,550	320,199	35,221	161,481	318,310	41,380	161,414	681,833	102,275
$500,000 under $1,000,000	25,348	13,706,293	13,648,882	6,440,156	25,348	81,817	25,346	49,951	5,494	25,345	49,651	6,454	25,345	106,617	15,992
$1,000,000 or more	10,735	19,726,601	19,714,053	9,695,229	10,735	34,409	10,732	21,007	2,310	10,731	20,866	2,712	10,729	44,907	6,736

Size of adjusted gross income	Tax generated at specified rate — Continued														
	17 percent			18 percent			19 percent			21 percent			23 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Total	**49,868,670**	**158,951,639**	**27,021,778**	**4,114,060**	**10,830,606**	**1,949,509**	**44,464,499**	**138,879,349**	**26,387,076**	**12,744,724**	**25,424,396**	**5,339,123**	**22,618,376**	**86,656,833**	**19,931,071**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	40,564	27,507	4,676	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	741,848	357,672	60,804	*5,702	*1,006	*181	37,735	27,726	5,267	—	—	—	*1,686	*612	*140
$10,000 under $12,000	2,616,621	3,529,875	600,078	285,920	198,015	35,642	252,244	120,877	22,966	*137	*2	*( )	*14,769	*6,577	*1,512
$12,000 under $14,000	2,361,140	5,173,938	879,569	580,867	993,150	178,767	2,118,852	2,295,655	436,174	86,643	33,607	7,057	41,858	50,349	11,580
$14,000 under $16,000	2,861,045	5,429,099	922,946	621,508	1,678,900	302,202	2,442,594	4,454,469	846,349	1,674,943	1,696,341	356,231	40,206	82,281	18,924
$16,000 under $18,000	3,257,433	6,767,610	1,150,493	517,182	1,500,021	270,003	2,146,605	4,491,910	853,462	1,688,291	3,159,255	663,443	36,305	67,948	15,628
$18,000 under $20,000	3,246,242	8,941,878	1,520,119	398,948	1,200,022	216,004	2,416,005	4,417,135	839,255	1,560,389	3,000,492	630,103	26,300	53,341	12,268
$20,000 under $25,000	7,806,656	25,561,097	4,345,386	717,378	2,211,734	398,112	7,460,561	18,498,289	3,514,674	3,127,575	6,896,162	1,448,194	991,334	1,145,798	263,533
$25,000 under $30,000	6,750,606	24,485,145	4,162,474	495,193	1,524,628	274,433	7,021,565	23,803,592	4,522,682	2,017,578	4,695,285	986,009	3,858,009	10,885,667	2,503,703
$30,000 under $40,000	10,011,119	38,575,594	6,557,851	333,549	1,033,951	186,111	10,267,325	39,564,378	7,517,231	1,600,501	3,702,617	777,549	8,349,983	33,903,859	7,797,887
$40,000 under $50,000	5,041,365	19,860,224	3,376,238	84,728	262,657	47,278	5,102,702	20,395,894	3,875,219	497,550	1,131,490	237,612	4,567,321	19,901,249	4,577,287
$50,000 under $75,000	3,530,443	13,953,473	2,372,090	43,320	134,253	24,165	3,567,016	14,318,162	2,720,450	315,786	709,447	148,983	3,236,895	14,190,136	3,263,731
$75,000 under $100,000	803,125	3,155,985	536,517	15,091	46,782	8,420	816,856	3,258,984	619,207	83,924	191,912	40,301	731,981	3,206,562	737,509
$100,000 under $200,000	606,934	2,381,806	404,907	10,942	33,920	6,105	617,227	2,457,344	466,895	65,618	149,528	31,400	550,392	2,411,856	554,726
$200,000 under $500,000	158,300	615,057	104,559	2,892	8,964	1,613	161,162	634,417	120,539	20,611	46,462	9,757	140,472	615,775	141,628
$500,000 under $1,000,000	24,780	95,621	16,255	560	1,736	312	25,322	98,936	18,797	3,549	8,069	1,694	21,769	95,182	21,891
$1,000,000 or more	10,449	40,057	6,809	280	868	156	10,728	41,581	7,900	1,629	3,729	783	9,096	39,640	9,117

Footnote(s) at end of table.

Table 2 —All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate—Continued														
	24 percent			25 percent			26 percent			28 percent			29 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)
Total	**8,590,970**	**23,052,918**	**5,532,700**	**1,271,425**	**4,668,711**	**1,167,177**	**16,992,768**	**73,876,374**	**19,207,857**	**5,911,533**	**23,117,258**	**6,472,832**	**553,687**	**2,018,656**	**585,410**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	*8,552	*1,277	*332	—	—	—	—	—	—
$14,000 under $16,000	*16,098	*6,609	*1,586	—	—	—	34,504	43,510	11,312	—	—	—	—	—	—
$16,000 under $18,000	1,267,329	1,186,432	284,743	—	—	—	21,310	35,534	9,238	*5,860	*3,744	*1,048	—	—	—
$18,000 under $20,000	1,215,461	2,976,519	714,364	*42	*36	*9	23,887	55,967	14,551	298,102	126,180	35,330	—	—	—
$20,000 under $25,000	2,470,622	7,404,209	1,777,010	371,054	651,389	162,847	51,980	131,778	34,262	2,066,958	5,358,271	1,500,315	*3,834	*2,016	*584
$25,000 under $30,000	1,530,606	4,824,148	1,157,795	423,511	1,607,843	401,960	1,018,625	1,232,090	320,343	1,484,826	6,949,562	1,945,877	138,557	207,411	60,149
$30,000 under $40,000	1,262,312	4,009,091	962,181	321,529	1,592,265	398,066	6,691,892	25,212,262	6,555,188	1,231,620	6,339,749	1,775,129	257,557	1,031,230	299,056
$40,000 under $50,000	411,706	1,316,035	315,848	82,549	432,040	108,010	4,471,426	22,627,358	5,883,113	409,566	2,149,450	601,846	81,112	399,575	115,876
$50,000 under $75,000	271,798	865,873	207,809	43,152	228,347	57,086	3,220,206	16,889,156	4,391,180	269,743	1,423,952	398,706	43,075	222,524	64,532
$75,000 under $100,000	68,378	218,716	52,491	15,090	79,974	19,993	729,975	3,844,147	999,478	68,282	360,901	101,052	15,072	79,580	23,078
$100,000 under $200,000	54,600	174,701	41,928	10,769	57,053	14,263	549,110	2,899,547	753,882	54,519	288,549	80,793	10,751	56,558	16,401
$200,000 under $500,000	17,720	56,704	13,609	2,889	15,312	3,828	140,434	741,391	192,761	17,720	93,914	26,295	2,889	15,312	4,440
$500,000 under $1,000,000	2,989	9,565	2,295	560	2,968	742	21,768	114,610	29,798	2,989	15,842	4,435	560	2,968	860
$1,000,000 or more	1,349	4,315	1,035	280	1,484	371	9,095	47,746	12,414	1,348	7,144	2,000	280	1,484	430

Size of adjusted gross income	Tax generated at specified rate—Continued														
	30 percent			32 percent			34 percent			35 percent			36 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Total	**11,367,911**	**47,949,722**	**14,384,916**	**3,049,235**	**11,449,130**	**3,663,721**	**254,829**	**995,202**	**338,368**	**7,170,110**	**50,266,506**	**17,593,277**	**1,489,221**	**5,682,634**	**2,045,748**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	**	**	**	—	—	—	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	**6,999	**5,718	**1,715	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	19,624	30,493	9,147	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	48,777	105,100	31,530	89,289	26,424	8,455	—	—	—	31,462	89,595	31,358	—	—	—
$25,000 under $30,000	30,710	76,384	22,915	1,019,906	2,180,071	697,622	*1,907	*1,815	*617	28,759	124,337	43,518	14,570	4,367	1,572
$30,000 under $40,000	2,702,241	6,341,586	1,902,476	1,129,785	5,052,892	1,616,925	112,218	311,200	105,808	267,989	368,744	129,060	683,977	1,841,605	662,977
$40,000 under $50,000	3,954,494	17,433,394	5,230,018	399,632	2,027,501	648,800	70,192	313,109	106,457	2,424,151	9,018,409	3,156,443	364,952	1,716,326	617,877
$50,000 under $75,000	3,160,703	16,351,110	4,905,333	266,495	1,400,392	448,125	41,283	215,437	73,248	2,982,098	25,663,223	8,982,128	262,500	1,362,435	490,476
$75,000 under $100,000	724,819	3,809,588	1,142,876	67,823	358,029	114,569	14,995	78,990	26,856	717,908	7,453,266	2,608,643	67,156	355,281	127,901
$100,000 under $200,000	548,380	2,893,198	867,959	54,247	286,933	91,818	10,505	54,887	18,661	546,684	5,745,512	2,010,929	54,018	285,767	102,876
$200,000 under $500,000	140,313	740,865	222,259	17,719	93,902	30,048	2,889	15,312	5,206	140,230	1,479,143	517,700	17,712	93,873	33,794
$500,000 under $1,000,000	21,757	114,545	34,363	2,989	15,842	5,069	560	2,968	1,009	21,737	228,820	80,087	2,989	15,842	5,703
$1,000,000 or more	9,094	47,739	14,321	1,348	7,143	2,285	280	1,484	504	9,092	95,457	33,410	1,347	7,139	2,570

Footnote(s) at end of table

Table 2 — All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income — Continued

(All figures are estimates based on samples — money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate — Continued																	
	37 percent			40 percent			44 percent			45 percent			48 percent			50 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
Total	**132,044**	**860,876**	**318,524**	**3,916,897**	**33,765,855**	**13,506,342**	**1,477,672**	**23,729,807**	**10,441,115**	**421,682**	**3,839,354**	**1,727,709**	**635,031**	**11,307,825**	**5,427,756**	**557,809**	**57,952,957**	**28,976,478**
Under $2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$14,000 under $16,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$16,000 under $18,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	*3,971	*2,244	*897	—	—	—	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	—	—	—	15,032	26,200	10,480	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $40,000	17,453	15,980	5,912	148,363	324,641	129,856	*10,164	*15,595	*6,861	*1,906	*4,738	*2,132	—	—	—	—	—	—
$40,000 under $50,000	46,554	203,259	75,205	323,840	1,430,462	572,184	8,887	56,324	24,782	71,745	157,807	71,013	*903	*136	*65	—	—	—
$50,000 under $75,000	39,338	340,224	125,882	1,881,720	12,045,545	4,818,218	199,245	808,897	355,914	206,395	1,771,277	797,074	7,869	50,002	24,001	54,563	259,422	129,711
$75,000 under $100,000	14,673	153,166	56,671	756,717	9,399,093	3,759,637	549,660	6,065,800	2,668,952	66,241	879,902	395,955	41,449	230,576	110,676	62,846	929,058	464,529
$100,000 under $200,000	10,297	108,757	40,240	594,584	7,965,811	3,186,324	535,843	12,401,300	5,456,572	53,408	722,469	325,111	412,123	6,965,493	3,343,436	247,989	7,258,287	3,629,143
$200,000 under $500,000	2,889	30,615	11,327	157,530	2,105,677	842,270	142,258	3,586,953	1,578,259	17,651	243,347	109,506	141,121	3,318,148	1,592,711	156,550	19,796,279	9,898,139
$500,000 under $1,000,000	560	5,913	2,187	24,703	328,416	131,366	22,254	560,305	246,534	2,989	41,236	18,556	22,212	523,669	251,361	25,166	11,077,795	5,538,897
$1,000,000 or more	280	2,961	1,095	10,437	137,764	55,105	9,361	234,633	103,238	1,347	18,578	8,360	9,354	219,801	105,504	10,695	18,632,115	9,316,057

*Estimate should be used with caution because of the small number of sample returns on which it is based

**Data combined to avoid disclosure of information for specific taxpayers

( ) Less than $500

NOTE: Detail may not add to total because of rounding

Table 3.—[illegible] Returns With [illegible] Income: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

[illegible]

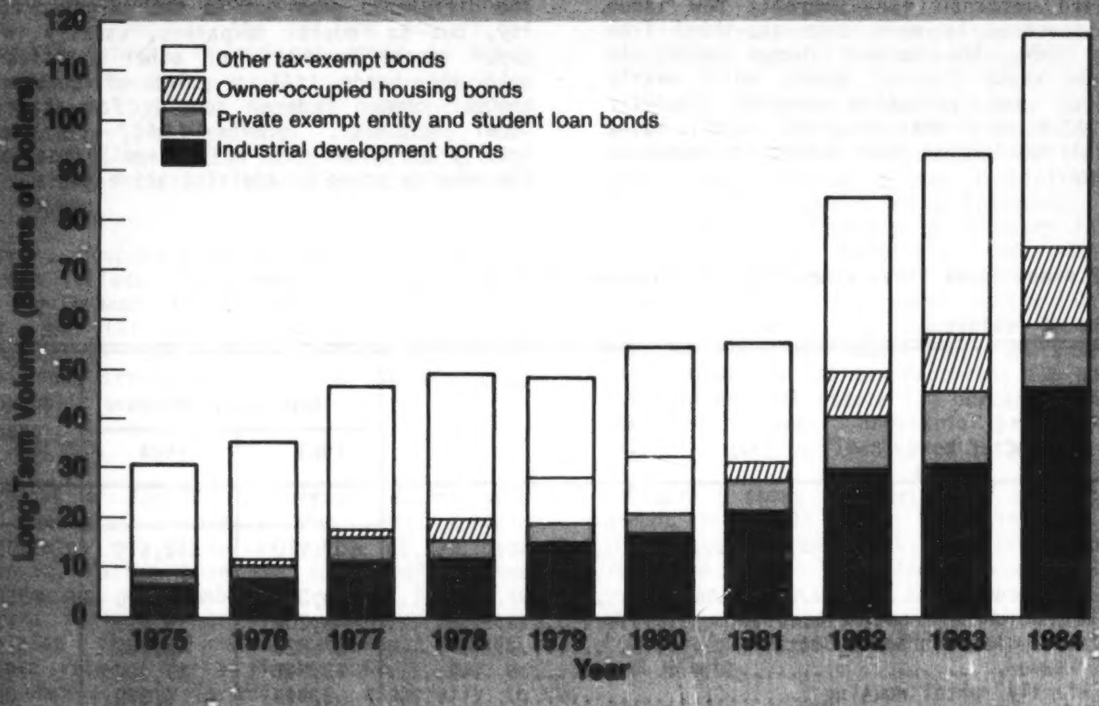
Private Activity Tax-Exempt Bonds, 1984

By Phil Clark*

The dollar volume of long-term private activity tax-exempt bonds [1] reached $74 billion in Calendar Year 1984, up from $57.3 in 1983. These bonds were issued for the direct benefit of private businesses, organizations, and individuals and accounted for 64 percent of the long-term tax exempt bond volume. The 1984 figures extended a trend in which private purpose bond volume increased from $8.9 billion in 1975 (29 percent of the volume) to its highest level ever in 1984. Figure A shows the growth of long-term private purpose bond volume over the last 10 years [2].

This article reports information on three types of private activity bonds: industrial

Figure A
Long Term Tax-Exempt Bond Volume, 1975–1984



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*Foreign Special Projects Section. Prepared under the direction of Michael Alexander, Chief.

development bonds (IDB's), private exempt entity bonds, and student loan bonds. Detailed data on these bonds are available only for 1983 and 1984, as a result of an information reporting requirement enacted by Congress as part of the Tax Equity and Fiscal Responsibility Act of 1982. (Similar information will be available for a fourth type of private activity bond, mortgage subsidy bonds, beginning with bonds issued in 1985.)

The total long-term volume of 1984 bonds of the types specified was $59 billion [3], an increase of 30 percent over 1983. The largest portion of the total volume, $18 billion or 31 percent, was for small issue IDB's. IDB's are issued by state and local governments to provide below-market rate financing for a wide range of private development (see Definitions). Twenty percent of the volume, or $11.7 billion, was issued for so-called private exempt entities which are primarily private, nonprofit medical facilities and colleges.

Figure B compares new issue volume (the purchase price of the bond less any amount of proceeds being used to retire existing obligations) for private activity bonds in 1983 and 1984. Figure B, as well as other tables in this article that present data for 1983 issuances, reflects minor revisions to previously published 1983 figures due to the inclusion of late filed returns [4]. Overall, new issue volume increased by more than one-third from 1983 to 1984, the largest jumps coming in sewage and waste disposal bonds, which nearly quadrupled, and pollution control facility bonds, which more than doubled. Small issue industrial development bond volume increased by one-quarter.

BACKGROUND

The original intent of the Federal income tax exemption for interest on state and local bonds was to provide a subsidy for government projects, such as highways, by making it possible to obtain funding at lower interest costs. The shifting of these bonds towards nongovernment uses has prompted the Federal Government to re-examine its policies in this area. While private purpose bonds allow state and local governments to promote economic development and housing in their jurisdictions while incurring little or no costs themselves, these bonds shift investment dollars away from other revenue-producing alternatives, and this results in a significant loss of Federal tax revenue.

It is estimated that the exemption from taxation of the interest from private purpose bonds issued in 1984 will result in revenue losses amounting to $38.8 billion over the term of the bonds [5]. This revenue loss is, in effect, the cost of a Federal subsidy for state and local activities. Recent studies, however, suggest that this may not be the most efficient method of promoting these activities.

It is estimated that the interest cost savings to the state or local authority is less than the revenue loss to the Federal Government [6]. The difference goes not to the targeted activity, but to Federal taxpayers, usually in the upper income brackets, or other entities who hold the bonds. As a point of comparison, another common Federal subsidy for state and local activity, grants-in-aid, is nearly totally efficient with only a small fraction of the subsidy going to administrative costs.

Figure B.--New Issue Private Activity Bond Volume, 1983-84

[Millions of dollars]

Type of bond	New issue volume		Percent change
	1983	1984	
	(1)	(2)	(3)
Total	$39,110	$52,674	34.7%
Student loan bonds	3,086	1,370	-55.6
Private exempt entity bonds	8,202	9,119	11.2
Industrial development bonds, total	27,823	42,185	51.6
Small issue	13,791	17,302	25.5
Multi-family rental housing	5,349	5,379	0.6
Airports, docks, etc.	2,109	3,713	76.1
Sewage and waste disposal	1,442	6,644	360.7
Pollution control	3,411	7,584	122.3
Other	1,721	1,563	-9.2

The use of tax-exempt bonds for private purposes may also have other undesirable effects. By increasing the total supply of tax-exempt obligations, the proliferation of private activity bonds causes interest rates on all tax-exempt instruments to rise in order to attract potential investors. These higher interest rates raise the cost of financing traditional government activities such as constructing schools, roads, and sewers [7].

Concern over these issues, coupled with the dramatic increase in private activity bond volume, prompted Congress to place a number of limitations on such bonds in the 1980's. As mentioned above, the Tax Equity and Fiscal Responsibility Act of 1982 required issuers of IDB's, private exempt entity bonds and student loan bonds to file a report with the IRS. The Deficit Reduction Act of 1984 extended that reporting requirement to cover mortgage subsidy bonds issued after 1984, and established a state-by-state volume limitation on certain obligations issued after December 31, 1983. This cap covered all private activity bonds except those issued for private exempt entities; multi-family residential rental housing projects; and certain airport, dock, convention, and refunding bonds. Each state's limit is the greater of $150 per capita ($100 per capita after 1986) or $200 million. States which exceeded this level in 1983 were allowed a phase-in during 1984 based on 1983 bond volume [8]. Because the cap was not retroactive in nature, it did not apply to bonds for which inducement resolutions were adopted before June 19, 1984 (nor to certain other "grandfathered" obligations). Therefore, definitive data on which bonds were subject to the cap were not available from the information returns.

Current proposals being considered by the Congress include (1) extension of the reporting requirement to include all tax exempt bonds, and (2) the elimination of the tax exemption for the interest on all state and local bonds issued primarily for the financing of nonpublic activities.

DATA ANALYSIS

A total of 14,142 information returns were filed for bonds issued in 1984. This article concentrates on the dollar volume of the bond issuances, rather than the number of returns filed because the number of returns is not an accurate reflection of the number of private activities financed with tax-exempt bonds. Multiple returns for a single activity may be filed when a bond is refunded, especially in the case of short-term obligations that have maturities of as little as one day. On the other hand, some returns included descriptions of many activities (multiple lot issues), which reduced the number of returns filed.

Table 1 shows the face amount and new issue volume by type of private activity bond. Industrial development bonds are shown by type of activity. The bonds are further categorized into short-term obligations (obligations that have average maturities of a year or less) and long-term obligations. Shown in columns 4, 5, and 6 is the new issue volume. For instance, a bond issue with a $100 million purchase price sold to refund a $95 million outstanding obligation would count as $5 million of new issues. New issue volume, therefore, represents the net increase in private activity bonds (excluding nonrefunded retirements).

Table 2 shows the aggregate face amount, purchase price, and lendable proceeds for long-term private activity bonds, as well as the issuance costs and the amounts allocated to reserve or replacement funds. Lendable proceeds of IDB's are required to be used primarily to purchase land and depreciable property. A minor portion of the lendable proceeds can be used for other purposes, such as working capital. Table 3 shows, for long-term IDB's, the allocation of non-refunding lendable proceeds. Certain types of depreciable property placed in service after March 15, 1984, fell into a new class, 18-year property. As there was no line on the return for this recovery class, filers usually included it with 15-year property or, to a lesser extent, "other property." Of the proceeds, 91 percent were used to finance depreciable property, 5 percent for land, and 4 percent for other property.

Issuers of private exempt entity bonds, industrial park IDB's, and small issue IDB's were required to provide information on the industrial classification of the initial principal users of the projects being financed. Table 4 shows the classification by industry for these bonds. Private hospitals and educational facilities accounted for 96 percent of the total exempt entity bond volume on those returns for which the industrial activity was actually reported. Small issue IDB's were used most frequently for manufacturing (35 percent), followed by real estate (23 percent), and services (18 percent). Industrial park bonds were primarily used to finance real estate.

Figure C shows the percent of the total face amount for small issue IDB's in each of the four largest industrial classifications, for 1983 and 1984. Only those returns that reported an industry are included in the computations. The data indicate a slight shift away from trade and services into manufacturing and real estate.

Small issue IDB's are limited to $1 million per user per county or $10 million, if capital expenditures on the project do not exceed $10 million over a 6-year period ($25 million in the case of Urban Development Action Grant

Figure C.--Industrial Classification of Small Issue IDB's, 1983-84

Industry	Percent of total face amount	
	1983	1984
All Industries	100.0%	100.0%
Manufacturing	31.6	35.4
Trade	16.8	15.0
Real Estate	20.5	23.2
Services	23.9	18.5
Other	7.2	7.9

assisted projects). The $10 million limit was raised from $5 million in 1979. It has been speculated that raising the limit sparked the rapid growth of small issue IDB's.

Table 5 shows the size distribution of small issue IDB's. Thirty-two percent of small issue IDB volume (7.2 percent of the returns) was from bond issues with face amounts from $5 million to $10 million. Only 16.1 percent of the volume (but 56.5 percent of the returns) was from issues of $1 million or less. The mean size of the face amounts on small issue IDB's increased by 16 percent from 1983, to $1.7 million.

Table 6 shows the total new issue volume by type of bond for each state. Legislation in 1984 extended the information return filing requirement to private activity bonds issued by the District of Columbia, Guam, Puerto Rico, and the U.S. possessions after 1983.

Figure D shows the percent change in new issue volume from 1983 to 1984 for each of the nine Census divisions that make up the United States. Overall new issue volume increased by 34.7 percent, with above average growth occurring in areas east of the Ohio Valley and south of New England.

SUMMARY

Private activity bond issues provide a reduction in borrowing costs for businesses, nonprofit organizations, and individuals. The implicit Federal interest subsidy directs the allocation of the Nation's resources toward activities benefiting from this type of financing. One of the effects of private activity bonds is an increase in tax-exempt interest rates. Higher tax-exempt interest rates increase the borrowing costs of financing traditional government projects and may result in delay or cancellation of some public projects. In addition, the tax exemption of interest income from private activity bonds reduces Federal income tax receipts as long as the bonds are outstanding. Concern over the rapid growth of tax-exempt bonds used for private purposes led Congress to institute an information reporting requirement for the issuers of such bonds and to place a state volume limitation on certain types of them. Despite these concerns, levels of private activity bond volume reached an all-time high in 1984.

1984 is only the second year for which comprehensive data have been available on the volume, uses, and maturities of private activity bonds. Comparisions between 1983 figures and those for 1984 indicate a growth in the usage of such bonds in nearly all industrial sectors and geographical areas of the United States. In fact, the issuance of private acti-

Figure D.--New Issue Private Activity Bond Volume, By Region, 1983-84

[Millions of dollars]

Region	1983	1984	Percent change
	(1)	(2)	(3)
Total	$39,110	$52,674	34.7%
New England	2,387	2,776	16.3
Middle Atlantic	5,578	9,150	64.0
East North Central	5,109	6,596	27.1
West North Central	3,536	3,861	9.2
South Atlantic	7,014	11,999	71.1
East South Central	2,404	3,486	45.0
West South Central	5,035	6,366	26.4
Mountain	3,538	3,515	- 0.7
Pacific	4,429	4,813	8.7
Other areas	--	113	N/A

N/A - Not applicable.

vity bonds grew more rapidly in 1984 than traditional governmental purpose bonds, so that they accounted for 63 percent of total long-term tax-exempt bond volume (up from 61 percent in 1983).

DATA SOURCES AND LIMITATIONS

Form 8038, Information Return for Private Activity Bond Issues, is required to be filed with the Internal Revenue Service for all student loan, private exempt entity, and industrial development bonds. The return is due within 45 days after the end of the calendar quarter in which the bond is issued. All of the 1984 data in this article were extracted from the 14,142 returns filed for 1984.

Because the entire population of Forms 8038 was used for this study, there was no sampling error. There was, however, a certain amount of filer and processing error. Throughout the processing of the forms, a number of checks were performed to ensure that each return was internally consistent, and to exclude duplicate and amended returns. Both automatic and manual correction routines were performed to balance return data and to supply data missing from the returns. Despite these efforts, a small number of returns remained with missing or inconsistent data. This necessitated that a portion of the data (e.g., in Table 3) be expressed in percentages rather than as aggregate figures.

DEFINITIONS

Private Activity Bonds.--For the purposes of this article, consists of industrial development bonds, private exempt entity bonds, and student loan bonds. This differs from the Internal Revenue Code definition, which excludes private exempt entity bonds, multi-family housing bonds, and certain bonds for government-owned property.

Industrial Development Bonds.--State or local government obligations, all or a major portion of the proceeds of which are used in a private trade or business, with payments of principal and interest secured by the property used in a private trade or business. In general, IDB's can finance certain specified activities in unlimited amounts. In addition, under the small issue exemption, almost any private trade or business can finance depreciable property or land with an IDB if the bond's face amount does not exceed $1 million, or $10 million with certain limits on capital expenditures.

Student Loan Bonds.--State or local government obligations issued to finance the education expenses of individuals.

Private Exempt Entity Bonds.--State or local government obligations, issued for tax-exempt charitable, religious, education, and similar organizations (described in Internal Revenue Code Section 501(c)(3), but primarily for private, nonprofit medical facilities and colleges.

NOTES AND REFERENCES

[1] The term "private activity bonds," as used here, refers to industrial development bonds, student loan bonds, private exempt entity bonds, multi-family housing bonds, mortgage subsidy bonds, and veterans general obligation bonds.

[2] Data for 1975-82 are from Special Analysis F, Budget of the United States Government, FY 1985, Table F-13.

[3] This difference between the $59 billion figure and the total long-term volume, $74.0, consists of mortgage subsidy bonds and veterans general obligation bonds.

[4] There were approximately 150 late-filed returns, reporting $241 million of new issue volume. 1983 data were reported in Clark, Phil and Neubig, Tom, "Private Activity Tax-Exempt Bonds," Statistics of Income Bulletin, Summer 1984, Vol. 4, No. 1, pp. 97-107.

[5] Estimate provided by the Office of Tax Analysis, U.S. Department of Treasury. Includes $6.7 billion of estimated revenue losses due to mortgage subsidy bonds and veterans general obligation bonds.

[6] Empirical estimates suggest that the Federal deficit increases by $1.12 to $1.31 for each dollar of cost savings to the tax-exempt issuers. See Toder, Eric and Neubig, Thomas S. "Revenue Cost Estimates of Tax Expenditures: The Case of Tax-exempt Bonds," National Tax Journal, September 1985, Vol. XXXVIII, No. 3, pp. 395-414.

[7] Empirical estimates of the effect of an additional $1 billion of tax-exempt obligations range from 1 basis point (0.01 percent) to 7 basis points. For a summary of the econometric estimates, see Peterson, G.E., Tuccillo, J.A. and Weichler, J.C. "The Impact of Local Mortgage Revenue Bonds on Securities Markets and Housing Policy Objectives," in Efficiency in the Municipal Bond Market, G.C. Kaufman, ed., JAI Press, 1981.

[8] Three states, Arizona, Utah and Virginia, were allowed a small amount of additional transitional volume due to 1983 volume levels.

Table 1.--Volume of Private Activity Bonds by Type of Activity, 1984
[Millions of dollars]

Type of activity	All issues[1]			New issues[2]		
	Total	Short-term	Long-term	Total	Short-term	Long-term
	(1)	(2)	(3)	(4)	(5)	(6)
Total	74,694	15,669	59,025	52,674	3,387	49,287
Student loans[3]	2,052	815	1,236	1,370	141	1,229
Private exempt entities	15,300	3,599	11,701	9,119	533	8,587
Industrial development bonds:						
Industrial park	484	188	296	224	1	223
Small issue	18,196	159	18,036	17,302	132	17,170
Multi-family rental housing	5,539	82	5,457	5,379	6	5,373
Sports facilities	595	-	595	534	-	534
Convention facilities	133	-	133	39	-	39
Airports, docks, etc.[4]	6,183	1,074	5,109	3,713	81	3,631
Sewage and waste disposal facilities	9,061	1,802	7,258	6,644	698	5,946
Pollution control facilities	15,566	7,452	8,114	7,584	1,793	5,791
Water furnishing facilities	149	6	142	136	2	134
Hydroelectric generating facilities	103	-	103	101	-	101
Mass commuting vehicles	19	11	7	7	([5])	7
Local heating and cooling facilities	268	-	268	103	-	103
Electric energy and gas facilities	1,048	479	568	419	([5])	419

[1] Volume for all issues is the face amount of the bond.
[2] Volume for new issues is the purchase price of the bond minus any amount used to refund earlier obligations.
[3] Only partial information on the amount of refunding was collected for student loan bonds.
[4] Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.
[5] Less than $500,000.
NOTE: Detail may not add to total because of rounding.

Table 2.--Computation of Non-Refunding Lendable Proceeds For Long-Term Private Activity Bonds, by Type
[Millions of dollars]

Item	Type of bond				
	Total	Student loan[1]	Private exempt entity	Industrial development bonds	
				Small issue	Other
	(1)	(2)	(3)	(4)	(5)
Face amount	59,025	1,236	11,701	18,036	28,052
Purchase price	58,851	1,229	11,655	18,042	27,927
Bond issuance costs	1,505	21	384	459	641
Allocations to reserve or replacement funds	2,114	96	710	130	1,178
Lendable proceeds	55,233	1,112	10,560	17,453	26,108
Proceeds used to refund prior issues	9,576	-	3,068	882	5,625
Non-refunding lendable proceeds	45,657	1,112	7,492	16,571	20,482

[1] Only partial information on the amount of refunding was collected for student loan bonds.
NOTE: Detail may not add to total because of rounding.

Table 3.--Long-Term Industrial Development Bonds: Percent Distribution of Non-Refunding Lendable Proceeds, by Type of Property Financed

Type of property financed	Type of industrial development bond							
	Total	Small issue	Multi-family housing	Sports and convention	Airport and dock[3]	Sewage, waste disposal and pollution control	Electric and gas	Other exempt activity[4]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Depreciable property:								
3-year ACRS	0.8	1.2	0.3	0.8	0.7	0.4	0.3	1.2
5-year ACRS	23.5	22.8	3.9	13.8	27.2	31.9	12.3	54.6
10-year ACRS	12.7	2.5	1.9	2.3	3.1	36.5	0.5	(5)
15-year ACRS[1]	53.8	63.8	78.6	65.0	60.0	26.4	57.1	39.2
Land	5.1	6.8	9.4	12.6	3.1	0.7	23.6	-
Other property[2]	4.1	2.9	5.9	5.5	6.0	4.2	6.3	5.0

[1] Includes 18-year ACRS property. A small amount of 18-year property was included in "other property." (ACRS refers to Asset Cost Recovery System of depreciation.)

[2] Includes a small amount of proceeds which were not targeted for a specific type of property at the time of filing.

[3] Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.

[4] Consists of industrial parks, water furnishing facilities, hydroelectric generating facilities, mass commuting vehicles, and local heating and cooling facilities.

[5] Less than 0.05 percent.

NOTE: Detail may not add to total because of rounding.

Table 4.--Volume[1] of Small Issue Industrial Development Bonds, Industrial Park Bonds, and Private Exempt Entity Bonds, by Industry

[Millions of dollars]

Industry	Small issue and industrial park IDB's		Private exempt entity bonds	
	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)
All industries	18,680	100.00	15,300	100.00
Agriculture, forestry, and fishing	208	1.11	-	-
Mining	107	.57	-	-
Construction	186	.99	1	.01
Manufacturing	6,064	32.46	11	.07
Food and kindred products	553	2.96	(2)	(3)
Textile products	451	2.41	-	-
Lumber, wood products, and furniture	455	2.44	(2)	(3)
Paper products, printing, and publishing	746	3.99	(2)	(3)
Chemicals, rubber, and plastics	898	4.81	4	.02
Primary and fabricated metal	969	5.19	1	.01
Machinery, except electrical	379	2.03	(2)	(3)
Electrical and electronic equipment	648	3.47	1	(3)
Other manufacturing	965	5.16	4	.03
Transportation	465	2.49	3	.02
Trucking and warehousing	356	1.91	3	.02
Other transportation	109	.58	(2)	(3)
Wholesale trade	1,058	5.66	1	.01
Durable goods	555	2.97	(2)	(3)
Nondurable goods	503	2.69	1	.01
Retail trade	1,483	7.94	8	.05
General merchandise stores	429	2.30	(2)	(3)
Food stores	347	1.86	-	-
Other retail trade	707	3.78	7	.05
Finance and insurance	336	1.80	27	.18
Real estate	4,192	22.44	113	.74
Services	3,184	17.04	14,243	93.09
Hotels and other lodging places	1,183	6.33	37	.24
Personal and business services	258	1.38	6	.04
Medical and health services	1,186	6.35	11,576	75.66
Educational services	65	.35	2,273	14.86
Other services	491	2.63	351	2.29
Other industries	112	.60	16	.10
Industry not reported	1,285	6.89	877	5.73

[1] Consists of the face amount of the bonds. Short term bonds have been included.

[2] Less than $500,000.

[3] Less than 0.005 percent.

NOTES: Detail may not add to total because of rounding.

Table 5.--Number and Volume of Small Issue Industrial Development Bonds, by Size of Face Amount

[Money amounts are in millions of dollars]

Size of face amount	Returns		Face amount	
	Number	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)
Total	10,796	100.00	18,196	100.00
$1 - $100,000	766	7.10	44	0.24
$100,001 - $250,000	1,088	10.08	198	1.09
$250,001 - $500,000	1,695	15.70	663	3.64
$500,001 - $750,000	1,211	11.22	780	4.29
$750,001 - $1,000,000	1,341	12.42	1,252	6.88
$1,000,001 - $2,500,000	2,462	22.80	4,194	23.05
$2,500,001 - $5,000,000	1,455	13.48	5,241	28.80
$5,000,001 - $10,000,000	778	7.21	5,825	32.01

NOTE: Detail may not add to total because of rounding.

Table 6. — Volume of New Issue Private Activity Bonds[1], by State, 1984

[Millions of dollars]

State	Type of activity										
	Total	Student loan bonds	Exempt entity bonds	Industrial development bonds							
				Small issue and industrial park	Multi-family housing	Sports and convention	Airport and docks[2]	Sewage and waste disposal	Pollution control	Electric and gas	Other exempt activities[3]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total	52,674	1,370	9,119	17,826	5379	573	3,713	6,644	7,584	419	
Alabama	1,044	—	338	362	—	—	29	55	260	—	
Alaska	139	—	—	109	2	(*)	27	—	—	—	
Arizona	1,047	—	226	318	81	13	20	259	105	—	
Arkansas	220	—	46	111	17	—	4	29	13	—	
California	3,736	129	822	529	980	1	339	562	309	—	
Colorado	729	—	169	222	117	74	1	20	117	—	
Connecticut	480	—	79	201	71	—	8	35	72	—	
Delaware	243	—	33	135	7	—	—	(*)	59	10	
Florida	3,831	—	678	571	495	24	444	1,087	214	315	
Georgia	2,853	—	30	768	241	—	—	626	1,186	—	
Hawaii	159	—	82	—	—	—	66	—	—	11	
Idaho	72	37	5	18	—	—	4	—	9	—	
Illinois	2,320	132	231	757	118	—	910	36	133	(*)	
Indiana	940	—	113	372	32	—	53	27	342	—	
Iowa	307	11	4	200	40	52	—	—	(*)	—	
Kansas	477	—	38	187	39	—	—	100	114	—	
Kentucky	706	41	112	226	4	(*)	163	68	88	—	
Louisiana	1,483	196	196	413	109	—	41	176	357	—	
Maine	77	—	1	60	14	3	—	—	—	—	
Maryland	1,286	14	169	527	401	—	98	—	87	—	
Massachusetts	1,375	122	546	506	26	—	49	112	11	—	(*)
Michigan	1,601	—	246	661	66	—	—	426	107	—	
Minnesota	1,213	80	78	634	133	64	15	172	39	(*)	
Mississippi	406	—	42	112	20	—	—	149	84	—	
Missouri	1,170	—	251	393	240	3	31	61	192	—	
Montana	321	68	27	64	—	—	—	13	148	—	
Nebraska	348	—	118	110	56	3	61	—	—	—	
Nevada	165	—	9	21	63	—	—	—	13	18	
New Hampshire	296	5	45	101	22	—	—	15	108	—	(*)
New Jersey	1,912	—	256	930	30	9	85	227	310	31	
New Mexico	174	—	12	60	20	—	65	—	17	—	
New York	3,436	—	1,014	1,258	313	80	232	186	343	—	
North Carolina	802	—	38	380	73	—	22	9	280	—	
North Dakota	232	128	27	20	3	—	2	19	33	—	
Ohio	1,196	—	172	664	64	—	31	42	220	—	
Oklahoma	408	—	44	120	112	—	3	128	—	—	
Oregon	304	—	105	72	—	4	28	57	3	18	
Pennsylvania	3,802	200	793	1,506	53	38	25	635	551	—	
Rhode Island	430	—	90	66	33	—	17	210	—	7	
South Carolina	807	—	18	313	38	—	5	261	174	—	
South Dakota	118	49	23	43	—	(*)	—	—	—	—	
Tennessee	1,326	—	142	724	222	—	234	—	3	—	
Texas	4,255	25	1,195	776	487	3	476	410	684	—	
Utah	642	—	—	195	52	145	—	90	154	—	
Vermont	118	—	32	72	—	9	—	1	—	4	
Virginia	1,995	88	156	1,038	332	7	68	234	68	—	
Washington	474	46	50	102	127	5	61	50	27	5	
West Virginia	202	—	61	90	26	—	—	—	25	—	
Wisconsin	538	20	153	322	10	7	—	2	23	—	
Wyoming	365	—	—	45	—	1	—	(*)	319	—	
Other[5]	113	—	1	21	26	—	—	41	—	—	

[1] Volume for new issues is the purchase price of the bond minus the amount used to refund earlier obligations.

[2] Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.

[3] Consists of water furnishing facilities, hydroelectric generating facilities, mass commuting vehicles, and local district heating and cooling facilities.

[4] Less than $500,000.

[5] Includes District of Columbia, Gaum, Puerto Rico, and the Virgin Islands.

NOTE: Detail may not add to total because of rounding.

Sales of Capital Assets, 1981 and 1982

By Bobby Clark and David Paris*

For Tax Year 1981, there were 8.4 million individual returns [1] reporting a gross gain or loss from sales of "capital assets." The gross gain less loss reported totaled $122.9 billion. For Tax Year 1977, the last previous year for which capital transactions were tabulated, there were 8.8 million returns reporting gains less losses totalling $46.5 billion. There are many reasons for this 164 percent increase, one being the changes in tax laws since 1976 which affected the taxation of capital gains and losses.

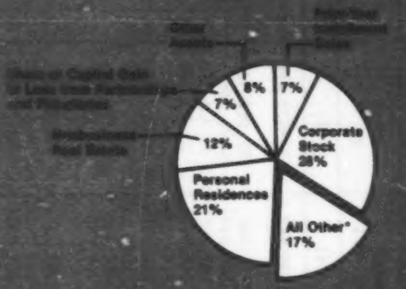
Even though there was a significant increase in the gross gain (less loss) from 1981 sales of capital assets [2], the amounts included in adjusted gross income (AGI) and the increases in taxes reported on these gains were not as significant. The increases in gains and losses during the 1976-81 period were partly due to inflation and also to law changes which effectively decreased the tax rate on gains. Although the lengthening of the required holding period for short-term gains may have offset this decrease to some extent. This change in the holding period is described below.

For 1973, 1977, and 1981, detailed data were obtained on the sales of capital assets that were associated with the net capital gains and losses included in AGI [3]. This article focuses on 1981 data for the asset types that accounted for most of the increase in gross gain for 1981 over 1977 [4]. For instance, as shown in Figure A, five asset types accounted for 75 percent of the gross gains reported for 1981. The most significant of these were corporate stock and sales of personal residences. As shown in Figure B, these same five asset types showed a substantial increase from 1977 to 1981.

For 1981, there were more than 28.6 million sales of capital assets transactions reported. As expected, corporate stock transactions was the asset type most frequently reported. These transactions numbered more than 13.6 million or approximately 48 percent of the total. The second most reported type of transaction was prior-year installment sales. They were reported approximately 2.1 million times. Sales of commodities, capital gain distributions, shares of capital gain or loss from partnerships and fiduciaries, and sales of personal residences were next in order; each type was reported slightly more than one million times.

Figure A

Percentage Distribution of Gross Gains from Sales of Capital Assets, by Type of Asset, 1981



*All Other

SHORT-TERM AND LONG-TERM TRANSACTIONS

The number of short-term transactions, i.e., transactions involving assets held for 12 months or less, increased from 5.6 million in 1977 to 11.6 million in 1981. The large increase in

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*Individual Statistics Branch. Prepared under the direction of Michael Coleman, Chief.

Figure B.--Number of Returns and Gross Gain or Loss, by Asset Type, 1977 and 1981

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Asset type	1977			1981			Change from 1977	
	Number of returns	Gross gain	Gross loss	Number of returns	Gross gain	Gross loss	Gross gain	Percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	8,845,115	$60,021,334	$13,534,115	8,405,189	$151,670,416	$28,766,391	$90,649,082	153%
Corporate stock	2,760,804	13,684,818	6,861,349	3,426,181	42,820,936	12,364,554	29,136,118	213
Securities other than corporate stock	371,140	560,076	356,168	504,074[1]	1,075,469	3,608,328	515,393	92
Commodities, including futures contracts	101,414	1,688,881	1,665,428	197,285	3,734,950	3,383,762	2,046,069	121
Capital gain distributions	1,540,638	1,098,216	40,803	944,965	1,957,399	222,391	859,183	78
Share of capital gain or loss from partnerships and fiduciaries	717,185	4,844,618	562,317	1,070,164	10,382,156	2,150,693	5,537,538	114
Capital gain distributions from small business corporations	49,494	267,257	1,665	62,382	495,871	3,356	228,614	86
Liquidation distributions	41,067	931,551	14,015	44,106	1,300,086	152,392	368,535	40
Lump-sum and other retirement plan distributions	69,067	335,081	-	50,237	354,767	2,897	19,686	6
Sale or involuntary conversion of certain depreciable and other property	858,114	3,008,545	444,134	323,830[1]	4,621,240	145,897	1,612,695	54
Qualified gains on nonfarm depreciable business and personal property, except certain buildings	425,722	2,255,518	-	494,917	3,795,475	39	1,539,957	68
Qualified gains on other depreciable real property, including certain buildings	235,000	3,410,294	-	144,893	5,697,261	(4)	2,286,967	67
Qualified gains on farm land with unharvested crop and livestock, except poultry, used in trade or business	139,412	392,384	-	399,363[1]	3,349,692	79,827	2,957,308	754
Standing timber	92,600	602,549	335	63,050	591,579	1,932	-10,970	-2
All other farm land	1,350	29,673	-	6,184	308,781	(4)	279,108	941
Oil and gas property	1,395	74,537	-	1,284	272,230	-	197,693	265
Personal residence[2]	1,460,678	6,955,407	24,731	1,009,772	31,112,603	1,619	24,157,196	347
Nonbusiness real estate	637,472	4,595,919	176,720	725,029	18,476,517	280,762	13,880,598	302
Prior-year installment sales	572,433	3,972,739	7,708	1,421,364	9,913,982	357	5,941,243	150
Other types of assets[3]	2,075,276	11,313,268	3,378,741	1,449,447	11,409,423	6,367,585	96,155	1

[1] Data are overstated to the extent a taxpayer reported more than one type of property included in this combined category.

[2] The gain shown for sales of residences is the gross amount realized. Only a small part is taxable gain because of the tax deferral and exclusion provisions of the tax law relating to sales of residences.

[3] Other types of assets not elsewhere classified or transactions which were unidentified.

[4] Less than $500.

NOTE: Due to reporting of more than one asset type on most returns, the number of returns for "All returns, total" are less than the sum of return totals for the specific asset type. Detail may not add to total because of rounding.

Figure C.--Returns with Short-Term or Long-Term Corporate Stock Sales Transactions: Selected Income and Tax Data, Gross Gain or Loss and Net Capital Gains, by Length of Period Held, 1981

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Length of period held	Number of returns with sales of corporate stock	AGI less deficit	Taxable income	Income tax before credits	Total income tax	Net capital gain less loss	Gross gain		Gross loss	
							Number of stock transactions	Amount	Number of stock transactions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All periods, total	3,426,181	$164,611,568	$138,161,427	$42,649,913	$41,763,369	$20,309,787	7,066,509	$42,820,936	6,603,278	$12,364,554
Short-term:										
0 including 6 months	1,574,120	84,657,582	68,365,401	22,039,863	21,726,877	12,678,956	2,152,105	2,840,890	2,330,489	3,100,809
6 months including 12 months..	1,218,501	69,400,525	55,579,150	18,592,396	18,272,624	10,630,069	754,147	1,349,124	1,216,985	2,747,320
Short-term not determinable[1]..	146,235	8,892,668	6,884,760	2,383,897	2,390,378	1,620,951	138,017	269,945	145,819	648,845
Long-term:										
1 year under 5 years	2,126,188	124,221,402	100,726,791	34,075,232	33,449,023	18,537,305	2,135,082	10,708,610	1,531,482	2,799,961
5 years under 10 years	756,873	40,968,196	34,089,136	11,210,783	11,012,689	6,105,776	738,755	7,603,438	589,104	1,240,880
10 years under 20 years	773,300	40,740,929	34,162,299	11,127,866	11,014,972	6,506,916	585,288	8,927,676	560,160	1,032,918
20 years or more	262,469	14,259,530	12,028,673	4,112,547	4,067,779	2,795,719	308,022	6,409,383	117,331	177,565
Long-term not determinable[1]...	234,095	14,195,214	11,726,621	4,200,288	4,173,055	2,942,415	255,093	4,711,869	111,908	616,258

[1] Includes transactions for which a period held could not be calculated because of missing dates, or for which the calculated period held did not agree with the definition of "short-term" or "long-term" for the year noted.

NOTE: Due to reporting of more than one transaction on most returns, the data in columns 1 through 6 for "All periods" are less than the sum of these items for the specific periods. Detail may not add to total because of rounding.

short-term transactions can be attributed to a provision of the Tax Reform Act of 1976, which changed the general definition of the holding period for long-term capital gain treatment from "more than 9 months" to "more than 12 months" for taxable years beginning after 1977. Also, reflecting this change, the number of long-term transactions declined from 16.4 million for 1977 to 12.1 million for 1981.

CORPORATE STOCK SALES

Figure C presents data by length of time held for corporate stock. The number of corporate stock transactions, which represent most of capital transactions each year, increased by nearly 38 percent for 1981 over 1977 and 50 percent over 1973. The statistics also show that for 1981 there was a movement back toward stock transactions, which were losing ground in 1977 to transactions involving securities other than stock (bonds, notes, etc.) and sales of commodities. However, in the absence of data for the intervening years it is impossible to determine whether this is part of a trend. Corporate stock transactions represented 47 percent of all transactions for 1981, an increase of 5.6 percent over 1977.

TAXATION OF CAPITAL GAINS

Individual income tax rates were reduced by the Economic Recovery Tax Act of 1981. As a result of this reduction, some taxpayers found that it was advantageous for them to sell in 1981 capital assets on which gains had previously accrued but which had not been realized because of the tax consequences. This "unlocking" effect was one possible factor in the increase in capital gains over the immediately preceeding years.

The 1981 Act lowered the maximum tax rate on ordinary income from 70 percent to 50 percent. Correspondingly, the maximum tax rate on 1981 net capital gains for individuals was effectively lowered to 20 percent (the 50 percent maximum marginal tax rate x the 40 percent of net long-term gains that were included in AGI). This compares to the 28 percent maximum rate prevailing just before the 1981 Act and to the 1977 maximum rate of 35 percent (the 70 percent maximum rate x the 50 percent of net long-term gains that were included in AGI). The revised rates applied to gains realized after June 9, 1981.

Figure D shows net capital gains and the taxes on them for the 6-year period, 1977-82. In Figure D, net capital gains in AGI include only amounts reported on returns with net gains. Thus, these figures slightly overstate contributions of the capital gains tax to total individual income tax by excluding returns with net losses. These losses are deducted in computing taxable income, thereby reducing the tax.

Figure D.--Capital Gains Taxes, 1977-1982
[All figures are estimates based on samples--money amounts are in billions of dollars]

Tax Year	Net capital gain in AGI	Taxes on capital gains[1]	Capital gain taxes as a percent of total individual income taxes
	(1)	(2)	(3)
1977....	$23.4	$8.1	5.1%
1978....	26.2	9.3	4.9
1979....	31.3	11.7	5.5
1980....	32.7	12.5	5.0
1981....	34.7	12.7	4.3
1982....	38.5	12.9	4.5

[1] Tax on short-term gains was estimated.
Source: Office of the Secretary, Office of Tax Analysis

In order to prevent certain high-income tax filers from paying little or no income tax, a revised "alternative minimum tax" was included in the 1981 Act. For purposes of the alternative minimum tax, the portion of net capital gains excluded from AGI (i.e., 60 percent of total net long-term capital gain) and certain itemized deductions in excess of 60 percent of AGI were considered to be "tax preference" items. These amounts had to be added to gross income less deductions to compute alternative minimum taxable income. The alternative minimum tax was payable only if it exceeded the sum of the regular tax plus any add-on "minimum tax." Under the alternative minimum tax, the maximum marginal rate on any capital gain was 25 percent of gain realized before June 10, 1981. The 1981 Act lowered the highest alternative minimum tax rate from 25 percent to 20 percent (at $60,000 of alternative minimum taxable income) on gains realized after June 9, 1981. Thus, while certain capital gains might be subject to tax under the alternative minimum tax provisions, the alternative minimum tax did not increase the maximum possible rate at which long-term capital gains could be taxed under the regular individual income tax.

CHANGES IN THE LAW

Most of the law changes for 1981 applicable to capital gains and losses were a result of the Economic Recovery Tax Act of 1981 (ERTA). A summary of the three law changes affecting sales of capital assets for Tax Year 1981 is provided below.

Alternative Minimum Tax

The highest tax rate under the alternative minimum tax applicable to long-term capital gains excluded from AGI, was reduced from 25 percent to 20 percent under ERTA for transactions entered into after June 9, 1981. The alternative minimum tax was applied to certain "tax preferences," including the 60 percent of long-term capital gain excluded from AGI, and was used if it was larger than the regular income tax (as defined for this purpose). The total alternative minimum tax was the lesser of the "gross" alternative minimum tax or total "alternative minimum taxable income," or the tax on alternative minimum taxable income other than excluded long-term capital gains, plus a 20 percent tax on these gains.

Alternative Tax

The alternative method of tax computation made it possible for certain taxpayers to reduce the tax based on the "regular" tax computation. To benefit from this computation, taxpayers must have had long-term gains in excess of short-term losses from the sale of capital assets between June 9, 1981, and December 31, 1981. Income subject to the alternative tax was computed as the lesser of (1) the net capital gain for the year, or (2) the net capital gain for the year taking into account only gains or losses from sales or exchanges between June 9, 1981, and December 31, 1981.

This method of tax computation could only be advantageous to taxpayers with a marginal tax rate over 50 percent, whose filing status was:

1) single with taxable income over $41,500,
2) joint or qualifying widower with dependent child and with taxable income over $60,000,
3) head of household with taxable income over $44,700, or
4) married filing separately with taxable income over $30,000.

Sales of Personal Residences

There was no taxable gain on the sale of a personal residence if the taxpayer used the proceeds from the sale to purchase another personal residence as a replacement within a fixed period of time after the sale. The replacement period for exempting the gain on the sale of a personal residence from taxation was extended from 18 months to 2 years by ERTA. In addition, the one-time exclusion from income of the gain from the sale was increased from $100,000 to $125,000. These changes were effective for sales or exchanges after July 20, 1981.

DATA SOURCES AND LIMITATIONS

Sample

These data are estimates based on returns filed by U.S. taxpayers for Tax Year 1981. This detailed information, which covers capital gain distributions and sales of property, augments the data published in Statistics of Income--1981, Individual Income Tax Returns.

The 1981 statistics were based on a 63,824 Form 1040 return subsample of the full sample used for Statistics of Income--Individual Income Tax Returns [5]. Capital asset transaction data were separately edited from Schedule D, Capital Gains and Losses; Form 2119, Sale or Exchange of Principal Residence; Form 4797, Supplemental Schedule of Gains and Losses; and Form 6252, Computation of Installment Sale Income. The type of property, gross sales prices, cost and expense of sale, and gross gain or loss were edited for each transaction reported on any of the above schedules or on the taxpayers' own schedules. Excluded from the statistics were capital gain distributions reported directly on Form 1040; if taxpayers had no other capital transactions, they were excused from filing the Schedule D [6]. A capital loss carryover by itself was not considered a transaction; therefore, returns that only reported a loss from a previous year on the Schedule D were omitted from the tabulations.

Limitations

Although the return forms called for transaction detail (gross sales price, cost or other basis and expense of sale, and gross gain or loss) to support the total net gain or loss, some of this information was not always reported. If the taxpayer failed to provide the detail for the asset types, gross sales price was made equal to the gain and cost made equal to the loss during statistical processing.

In general, the tables are based on data as reported by the taxpayer. Although the sample returns were subject to mathematical verification, statistical editing and computer testing, no attempt was made to change the taxpayer's classification of an entry. For example, capital gain distributions and net long-term gains from Small Business Corporations that elected to be taxed through shareholders are generally long-term positive amounts; however, they were tabulated as short-term or as a loss if so reported. The taxpayer's vague description for certain asset types sometimes made it difficult to classify the data by transaction category. Whenever a transaction could not be allocated to a specific category, it was assigned to "other assets" in the statistics.

Because the data presented in this article are estimates based on a sample of returns, they are subject to sampling, as well as nonsampling, error. To properly use the statistical data provided, the magnitude of the sampling error must be known. Coefficients of variation (CV's), computed from the sample, are used to measure the magnitude of the sampling errors. The table below presents approximated CV's for frequency estimates for 1981. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For numbers of returns other than those shown below,

Description of Assets/Transactions

Type of Asset/Transaction	Brief Description	Internal Revenue Code Sections
1. Corporate Stock	Stock in any corporation, and warrants. Excluded from this classification for the purpose of this article, but included in "Other types of Assets," were stock options or privileges, calls, puts, spreads and straddles.	1221
2. Securities Other Than Corporate Stock:		
U.S. Government Obligations	Bonds, notes, and other evidences of indebtedness issued by the U.S. Government, its instrumentalities, or possessions.	1232
State and Local Government Obligations	Investments in obligations of states or U.S. possessions, including obligations of political subdivisions and the District of Columbia.	1232
Other Bonds, Notes, and Debentures	Includes securities issued by corporations, banks and insurance companies.	1232
3. Commodities, Including Futures Contracts	Most sales or exchanges of crops or staples resulting from an obligation to buy or sell a fixed quantity of a commodity on a specific date at a fixed price. Except for a hedging transaction, a capital gain or loss resulted if the commodity future was a capital asset.	1233
4. Capital Gain Distributions	Long-term capital gains distributed or credited to stockholders in the form of cash or other property by regulated investment companies and real estate investment trusts.	852 857
5. Share of Capital Gain or Loss From Partnerships and Fiduciaries	Capital gains and losses allocated by partnerships and fiduciaries to partners and beneficiaries, respectively, who, in turn, reported distributive shares on their individual income tax returns.	665 702
6. Capital Gain Distributions From Small Business Corporations	Long-term capital gain distributions from earning and profits of electing Small Business Corporations (reduced by the special tax imposed at the corporate level) taxed through each stockholder.	1375
7. Liquidation Distributions	Cash or other property received by a stockholder when a corporation was liquidated.	301
8. Lump-Sum and Other Retirement Plan Distributions	Lump-sum payments to employees from a qualified annuity plan or from an exempt trust which formed part of a pension, profit sharing or stock bonus plan.	402
9. Sales or Involuntary Conversions of Certain Depreciable and Other Property:		
Involuntary Conversions by Casualty or Theft	Depreciable business property, or nonbusiness property, held for more than 9 months, that was compulsorily converted into money or other property not similar or related in service or use to the converted property. Loss (or gain) was after adjustment for any insurance proceeds and was otherwise eligible for long-term capital loss (or gain) treatment.	1231

Description of Assets/Transactions--Continued

Type of Asset/Transaction	Brief Description	Internal Revenue Code Sections
Sales or Involuntary Conversions of Certain Depreciable and Other Property--Continued		
Involuntary Conversions by Other Than Casualty or Theft	Trade or business property held for more than 9 months and compulsorily converted e.g. by seizure or condemnation. Loss (or gain) was after adjustment for any insurance proceeds and was otherwise eligible for long-term capital loss (or gain) treatment.	1231
All Other Livestock, Except Poultry, Including Certain Livestock Used in Trade or Business	Unless covered under 13, below, cattle, hogs, horses, mules, donkeys, sheep, goats, furbearing animals (such as mink), and other mammals, if held for draft, breeding, dairy, or sporting purposes. Cattle and horses were included if held for 24 months or more; the holding period for other animals was 12 months or more.	1231
Cut Timber	Timber that was cut, if owned, or held under contract to cut, for more than 12 months, if an election was made to treat the cutting as a sale of property used in the taxpayer's trade or business.	631, 1231
Other Farm Land With Unharvested Crop	Farm land with unharvested crop that was sold (with no retention rights or options) or exchanged at the same time and to the same person, if the land was held for more than 12 months. Crops included fruit and nut trees.	1231
Qualified Trade or Business Assets and Transactions Not Elsewhere Classified	Business assets (either real property or depreciable personal property) eligible for long-term capital gain treatment that could not be classified by type of asset or transaction.	1231
10. Qualified Gains on Non-farm Depreciable Business and Personal Property, Except Certain Buildings	Property held for more than 1 year, if the gains exceeded pre-1969 accumulated depreciation and if the property (except livestock) was tangible (e.g. machinery or equipment) or intangible (e.g. patents or copyrights). Tangible property included certain real property (except buildings) if used in specified industrial activities or if used for specific purposes described in the Code.	1245 1231
11. Qualified Gains on Other Depreciable Real Property, Including Certain Buildings	Real property (not included in 10, above) held for more than 1 year, on which gains were realized. However, property on which gains were due to the excess of accelerated over straight-line depreciation for 1964-69 was only partially included depending on how long the property was held; property on which gains were due to excess depreciation after 1969 was not included at all.	1250 1231

Description of Assets/Transactions--Continued

Type of Asset/Transaction	Brief Description	Internal Reve Code Sectio
12. Qualified Gains on Farm Land With Unharvested Crop	Farming property held for more than 1 year, on which gains exceeded the post-1969 (a) difference between accelerated and straight-line depreciation, and (b) accumulated farm losses. Capital gain on farm land was further limited to amounts in excess of accumulated deductions for soil and water conservation expenses for the most recent years. Restrictions did not apply if nonfarm AGI or net farm loss was less than the amounts stated in the Code.	1245, 1231
13. Qualified Gains on Livestock, Except Poultry, Used in Trade or Business	Depreciable livestock held for more than 1 year and used in farming, including race horses. Any gain from the sale of such livestock was reported as ordinary income to the extent that it was attributable to depreciation after 1969 (and excluded from the statistics). Any excess over depreciation was treated as long-term capital gain.	1251,
14. Standing Timber	Investment property held by the taxpayer that was sold and treated the same as the sale or exchange of any other capital asset.	1221
15. All Other Farm Land	Includes farm land held for more than 1 year, with expenditures for soil and water conservation or land clearing, on which gain was realized.	1252,
16. Oil and Gas Property	Operating mineral interests in oil and gas wells or geothermal deposits, the gain on which exceeded intangible drilling and development costs expensed over the lesser amount that could have been deducted currently if the costs were capitalized.	1254,
17. Personal Residence	Principal residence or the home in which the taxpayer lived unless a "new" residence or home of at least equal cost was purchased within 2 years.	1034
18. Nonbusiness Real Estate	Unimproved real estate; rights-of-way on property; rental property; and all other real estate other than that reported as farm land with unharvested crop, other farm land, real estate subdivided, residences, and business assets.	1221
19. Prior-Year Installment Sales	The classification was used for deferred payments received from sales or exchanges of capital assets.	453
20. Other Types of Assets	Other assets (e.g., as mortgages, nonbusiness bad debts, life interests in estates, termination payments to employees, patents, and foreign currency conversions). Also includes property or transactions which the taxpayer did not specifically identify. See also 1, above.	Variou

the corresponding CV's can be estimated by interpolation.

The reliability of estimates based on samples and the use of coefficients of variation for evaluating the precision of sample estimates are discussed in the Appendix.

1981 Estimated Number of Returns	Approximate Coefficient of Variation
8,375,400	0.03
4,711,000	0.04
3,015,100	0.05
753,800	0.10
188,400	0.20
84,000	0.30
47,000	0.40
30,000	0.50

EXPLANATION OF TERMS

Explanations of terms are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or related regulations, procedures, or policies. Code section cited were those in effect for 1981.

Adjusted Gross Income (AGI)

This amount was the result of reducing gross income from all sources subject to tax by certain statutory adjustments. The income included in gross income was comprised of wages, salaries and tips; interest; dividends less exclusion; refunds of state and local income taxes; alimony received; business income (or loss); capital gain (or loss); gains (or losses) from sales of noncapital assets; fully taxable pensions and annuities; income (or loss) from rents, royalties, partnerships, estates, trusts, or farm and taxable unemployment compensation.

Adjustments were comprised of moving expenses, employee business expenses, payments to an Individual Retirement Arrangement (IRA), payments to a self-employed retirement or Keogh plan, interest penalty on early withdrawal from certain savings accounts, alimony paid, and disability income exclusion.

Cost or Other Basis and Expense of Sale

In general, this item included the amount paid, given, charged, or engaged to be paid or given, for a capital asset. The cost of property was increased by the expense for all items properly chargeable to the capital account, such as cost of improvements that added to the value of the asset, and costs of the purchase, commission, title search, and recording fees.

Gross Gain or Loss

For most transactions, gross gain (or loss) was the difference between the gross sales price and cost or other basis (less any allowable depreciation). However, for installment sales, the amount of gain reported for the current year was the payment actually received and was, therefore, less than the difference between the gross sales price and cost less depreciation.

Under the installment method, the profit on a sale was prorated over the period in which payments were to be received. Income from two types of installment sales are included in the statistics: (1) casual sale or other casual disposition of personal property (except inventory items) for a price exceeding $1,000, and (2) a sale or other disposition of real property. In both cases, the sale had to be one in which two or more payments were contemplated. The installment method could be used only if the seller received no payments or payments of 30 percent or less of the selling price during the year of sale.

The income reported in the taxable year was that part of the payment received in the taxable year which was based on the ratio of profit to the total contract price during the year. Although losses were not reportable on the installment plan, they were included in the statistics if reported as such by the taxpayer.

For the statistics, installment sales were classified in either of two ways. Current-year sales were included with the specific asset type of the property sold or exchanged on an installment basis. Prior-year installment sales were classified as such, regardless of the specific type of property disposed of.

Gross Sales Price

The gross sales price represented cash or the fair market value of other property received, including mortgages, notes, and other evidences of indebtedness. Included at face value were any of the seller's liabilities assumed by the purchaser and any liabilities to which the property was subject, such as real estate taxes or mortgages.

Number of Transactions

Number of transactions was the number of sales or exchanges of property reported on a Schedule D, Capital Gains and Losses; Form 2119, Sale or Exchange of Principal Residence; Form 4797, Supplemental Schedule of Gains and Losses; and Form 6252, Computation of Installment Sale Income, or on the taxpayer's equivalent schedules.

Sales of Capital Assets, Net Gain or Loss

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were a personal residence, furniture, automobile, and stocks and bonds. Assets used in the normal course of business activities (such as inventory held for sale) and depreciable or real property held for sale or used in a trade or business were specifically excluded from the definition of capital assets.

However, net gains from the disposition of certain of the latter class of property, while not classified as capital assets, could be treated as long-term capital gains under section 1231 of the Code. This included property used in a business, such as buildings and machinery; and also certain specific types of assets or transactions relating to sales of cut timber, coal, domestic iron ore and timber and unharvested crops sold with the land (if the land were held for more than 1 year).

On the other hand, all or a portion of net gains from some of the types of property included under the definition of capital gains could be denied capital gains treatment under other sections of the Code. Generally, these sections denied capital gains treatment to that part of a gain which was equal to all or some of the depreciation claimed on the asset.

The following concepts were used in the computation of net capital gain or loss for the purposes of this article:

Net short-term gain or loss--Gains and losses from the sales or exchanges of capital assets held for 1 year or less were considered to be short-term. For 1977, the holding period was 9 months or less. Short-term gains from current-year sales were combined with any short-term capital loss carryover and any net short-term gain or loss received from partnerships or fiduciaries.

Net long-term gain or loss--Gains and losses from sales or exchanges of capital assets held for more than 1 year were considered long-term and were eligible for special tax treatment (see "net capital gain"). To obtain the net long-term gain or loss, gains or losses from current-year transactions were combined with:

(1) net long-term gain or loss received from partnerships, fiduciaries, or Small Business Corporations (that elected to be taxed through shareholders),
(2) capital gain distributions of regulated investment companies (mutual funds) and real estate investment trusts, and
(3) long-term capital loss carryover from prior years.

Short-term capital loss carryover--This carryover equalled that portion of short-term capital loss incurred, but not deducted, in a previous tax year because of the limitation on the net capital loss allowable, as discussed below under "Net capital loss."

Long-term capital loss carryover--This carryover equalled that portion of long-term capital loss incurred, but not deducted, in a previous tax year because of the limitation on the net capital loss allowable, as discussed below under "Net capital loss."

Net capital gain--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For taxpayers with long-term capital gains, the actual amount shown as net capital gain (and thus, carried into AGI) was computed by first subtracting short-term capital losses (if any), and then subtracting 60 percent of the remaining amount. Short-term capital gains, on the other hand, were always fully includable in net capital gain.

If the only gain taxpayers had was from capital gain distributions, they were not required to file a Schedule D to report them. Instead, they were allowed to report them directly on Form 1040. These distributions were always considered to be long-term capital gains and are included in net capital gain.

Net capital loss--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer generally showed a net capital loss. In many cases, however, the actual amount included in net capital loss (and thus carried into AGI) was less than the computed combined amount. For taxpayers with long-term capital losses, only 50 percent of such losses (reduced by any short-term capital gains) was includable in net capital loss. After this reduction, net capital loss was further limited to the lesser of (a) net capital loss, (b) taxable income computed without regard to capital loss or personal exemptions or (c) $3,000 ($1,500 for married persons filing separately).

Amounts of capital losses in excess of the above limitations, whichever was applicable, could be carried over to subsequent tax years, as described above.

Sales of Property Other Than Capital Assets, Net Gain or Loss

Generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some of the types of property specifically included were (1) certain depreciable, depletable, and real business property; (2) accounts and notes receivable in the ordinary course of business (from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business); (3) certain copyrights; literary, musical, or artistic compositions; or similar properties; (4) any share of gain or loss received through partnerships and fiduciaries; and (5) amounts resulting from certain "involuntary conversions" including net losses from casualty and theft.

Gains from the disposition of some property types not considered to be capital assets could be treated as capital gains under certain conditions. Conversely, under certain other conditions, gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment.

Taxable and Nontaxable Returns

Taxability of a return for purposes of this article was determined by the presence of "total income tax" (the sum of income tax after credits and the additional tax for tax preferences).

Taxable Income

Taxable income was the amount to which taxpayers applied the tax tables or the tax rate schedules to arrive at income tax before credits. It was determined by subtracting from AGI "excess itemized deductions" (or by adding the "unused zero bracket amount") and the exemption amount. The zero bracket amount, that portion of income subject to tax at the zero percent rate, represented the first portion of taxable income.

Total Income Tax

Total income tax was the sum of income tax after credits and the additional tax for tax preferences.

NOTES AND REFERENCES

[1] This number excludes returns if the only capital gains were those reported on Form 1040 as installment sales, and if the only capital losses were those carried over from prior years.

[2] See Sales of Capital Assets Net Gain or Loss in Explanation of Terms section of this article for the definition of capital assets. See also, Galper, Harvey, and Steuerle, Eugene, "Tax Incentives for Savings," Statistics of Income Bulletin, Spring 1984, Vol. 3, No. 4.

[3] Brame, Bertie, and Gilmour, Keith, "Sales of Capital Assets, 1973-1980," Statistics of Income Bulletin, Summer 1982, Vol. 2, No. 1. See also, Supplemental Report, Statistics of Income--1973, Sales of Capital Assets Reported on Individual Income Tax Returns.

[4] See the Description of Assets/Transactions section in this article for a brief summary of the asset types.

[5] Information on the full SOI sample from which the subsample was drawn is published in Statistics of Income--1981, Individual Income Tax Returns. See the Statistics of Income report for 1982, for a description of the sample for that year.

[6] For 1981, there were 1.3 million returns with capital gain distributions amounting to $0.5 million reported directly on Form 1040. The comparable figures for 1982 were 1.3 million and $0.4 million. For additional information about capital gain distributions, see Statistics of Income--Individual Income Tax Returns for these two years.

Returns With Net Capital Gain or Loss

Table 1. — All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions: Gross sales price: Number of transactions	Gross sales price: Amount	Cost or other basis and expense of sale: Number of transactions	Cost or other basis and expense of sale: Amount	Gross gain: Number of transactions	Gross gain: Amount	Gross loss: Number of transactions¹	Gross loss: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total Assets														
All returns, total	8,486,189	318,272,978	274,837,538	75,953,728	73,821,295	28,849,796	23,660,845	489,265,751	23,031,288	346,115,534	17,527,838	151,670,416	11,113,666	38,794,391
No adjusted gross income	307,107	-8,828,133	—	882	144,402	796,793	703,319	28,213,080	686,258	20,349,880	634,165	8,086,413	174,828	1,728,178
Under $10,000	1,225,481	6,985,949	6,449,621	286,593	254,080	2,891,281	2,330,445	21,515,221	2,183,203	16,480,146	1,882,849	6,188,172	838,412	2,298,875
$10,000 under $15,000	798,801	8,862,619	8,837,880	808,856	781,120	2,030,888	1,818,864	19,830,580	1,633,231	13,436,149	1,384,601	5,863,560	755,367	1,083,271
$15,000 under $20,000	727,198	12,741,782	11,310,570	1,300,461	1,220,866	1,724,740	1,441,136	25,420,338	1,367,762	18,182,508	1,156,727	6,431,723	589,013	1,407,052
$20,000 under $30,000	1,867,141	37,844,184	30,401,888	5,212,773	4,800,371	3,888,961	3,247,506	42,880,819	3,108,297	27,425,082	2,441,494	12,380,026	1,467,437	1,880,345
$30,000 under $50,000	2,175,200	84,231,238	72,461,878	14,775,860	14,224,680	6,876,162	5,805,860	116,072,128	5,788,843	84,830,036	4,112,816	28,459,752	2,863,344	4,388,036
$50,000 under $100,000	1,328,484	87,511,088	72,758,406	21,078,932	20,426,830	6,804,654	6,348,252	93,960,868	6,326,007	62,802,118	3,842,583	28,588,673	2,762,081	5,885,301
$100,000 under $200,000	329,871	43,818,801	35,105,017	14,272,308	13,872,790	2,389,365	2,023,729	54,287,010	1,835,460	36,138,273	1,378,884	18,794,478	1,018,371	5,088,846
$200,000 under $500,000	92,884	35,380,846	28,582,980	10,173,732	10,022,100	973,475	867,822	48,258,916	819,016	33,476,177	880,701	15,482,186	422,774	2,582,871
$500,000 or more	17,926	18,827,828	13,868,405	6,047,801	7,874,518	394,827	298,832	48,225,732	284,187	32,095,073	180,798	18,475,470	150,731	2,512,021
Taxable returns, total	7,387,916	318,514,888	268,804,827	75,841,582	73,821,383	28,822,471	21,378,782	456,878,218	21,083,842	311,767,066	15,468,887	150,878,880	10,323,804	28,106,274
No adjusted gross income	13,536	-868,787	—	882	144,402	108,940	93,840	7,810,084	81,716	4,317,467	31,246	3,808,158	28,704	502,942
Under $10,000	821,884	4,288,195	4,280,857	242,790	254,080	1,467,388	1,197,802	9,987,705	1,190,856	6,808,807	944,827	2,737,467	822,471	572,678
$10,000 under $15,000	678,480	8,515,114	7,951,883	767,515	781,120	1,783,756	1,386,481	15,758,152	1,438,420	10,802,146	1,103,564	4,831,956	880,182	812,486
$15,000 under $20,000	686,670	12,200,801	10,974,112	1,273,143	1,220,866	1,668,124	1,363,379	24,443,466	1,336,731	18,525,377	1,088,834	6,028,867	557,290	1,398,751
$20,000 under $30,000	1,448,780	36,138,513	32,488,888	5,110,754	4,800,371	3,887,834	3,108,526	40,793,564	2,974,873	25,894,233	2,288,314	11,483,836	1,301,520	1,883,568
$30,000 under $50,000	2,148,848	83,188,447	72,134,473	14,728,313	14,224,680	6,858,865	5,710,086	112,874,707	5,672,629	82,380,327	4,052,414	28,081,862	2,808,514	4,203,801
$50,000 under $100,000	1,320,780	87,208,384	72,584,883	21,038,415	20,426,830	6,568,206	6,311,786	93,111,289	6,282,366	62,219,676	3,812,048	28,508,457	2,746,180	5,804,842
$100,000 under $200,000	328,412	43,863,210	35,088,812	14,271,539	13,872,790	2,385,216	2,021,671	53,967,881	1,832,873	36,021,866	1,376,842	18,898,284	1,018,374	5,072,863
$200,000 under $500,000	92,777	35,364,814	28,570,080	10,167,377	10,022,100	971,321	866,863	48,095,411	817,036	33,305,391	549,520	15,461,859	421,801	2,571,576
$500,000 or more	17,906	18,812,278	13,910,014	6,041,774	7,874,518	333,730	298,857	48,884,860	283,416	31,820,683	183,281	18,449,151	150,478	2,508,097
Corporate Stock														
All returns, total	3,486,181	184,811,088	198,161,427	42,849,912	41,783,388	13,888,787	13,368,774	136,498,880	13,235,864	96,951,173	7,068,008	42,630,936	6,893,276	12,384,884
No adjusted gross income	38,132	-3,016,884	—	806	62,329	183,781	178,380	3,480,107	179,858	2,837,348	113,529	1,108,486	70,238	486,882
Under $10,000	382,248	2,082,943	2,001,087	108,885	121,881	1,384,734	1,236,819	5,984,288	1,236,350	5,054,843	883,284	1,121,283	861,420	881,862
$10,000 under $15,000	298,586	3,303,871	2,909,886	327,852	311,387	747,500	678,345	3,700,476	727,875	3,186,221	318,503	880,762	428,000	888,488
$15,000 under $20,000	216,734	3,813,888	3,410,096	449,284	435,798	744,142	727,484	5,837,738	731,087	5,884,112	388,606	733,130	364,538	588,482
$20,000 under $30,000	561,782	14,500,942	12,818,465	2,174,721	2,116,933	1,793,586	1,759,219	6,888,671	1,746,211	6,063,081	853,075	1,882,246	940,491	938,082
$30,000 under $50,000	985,195	38,562,943	33,044,287	6,854,871	6,763,836	3,761,804	3,717,168	25,858,482	3,683,788	22,586,282	1,874,845	5,801,382	1,888,869	2,511,728
$50,000 under $100,000	707,338	47,282,888	38,088,324	11,513,567	11,201,301	3,251,718	3,159,748	25,880,832	3,158,748	20,833,738	1,769,380	8,230,388	1,482,328	3,238,704
$100,000 under $200,000	293,238	27,238,208	21,894,723	8,867,430	8,567,470	1,223,151	1,201,448	19,476,386	1,192,988	13,818,187	888,406	7,875,851	864,745	1,828,707
$200,000 under $500,000	68,384	17,188,088	13,203,211	6,508,516	6,438,401	578,332	520,748	14,887,380	513,842	8,015,869	295,570	6,848,882	230,762	988,215
$500,000 or more	12,686	13,880,548	9,882,420	5,746,881	5,723,144	173,108	171,447	15,887,222	169,371	6,831,486	98,307	9,358,836	73,799	627,988
Taxable returns, total	3,230,686	160,331,882	187,288,125	42,678,875	41,703,369	12,801,831	12,888,788	130,384,873	12,587,848	90,339,280	6,873,826	41,482,843	6,228,286	11,837,494
No adjusted gross income	3,146	-887,307	—	806	62,329	29,880	27,888	1,318,880	29,280	888,826	15,486	488,782	14,484	128,888
Under $10,000	286,144	1,807,124	1,708,402	108,780	121,881	867,886	808,088	3,815,582	834,885	3,120,039	478,148	788,920	378,516	383,488
$10,000 under $15,000	227,962	2,908,721	2,757,858	382,805	311,387	680,561	586,088	2,928,258	838,788	2,880,573	288,888	480,780	381,888	463,086
$15,000 under $20,000	214,130	3,788,281	3,373,834	446,777	435,798	731,886	715,224	5,720,764	718,701	5,588,846	353,087	708,182	348,828	545,258
$20,000 under $30,000	576,016	14,388,011	12,783,861	2,172,084	2,116,933	1,772,283	1,737,804	6,831,720	1,723,912	5,902,576	842,388	1,843,802	828,807	814,287
$30,000 under $50,000	871,379	38,046,871	32,800,417	6,802,025	6,763,836	3,700,436	3,658,174	25,384,582	3,624,860	22,086,148	1,858,822	5,758,874	1,840,514	2,441,014
$50,000 under $100,000	785,154	47,183,848	38,882,742	11,488,454	11,201,301	3,238,864	3,147,883	25,821,786	3,144,725	20,474,845	1,783,377	8,217,473	1,478,187	3,223,880
$100,000 under $200,000	282,884	27,182,108	21,881,018	8,867,216	8,567,470	1,222,179	1,200,476	19,404,848	1,191,884	13,880,172	887,711	7,881,482	864,488	1,825,283
$200,000 under $500,000	68,286	17,185,447	13,182,488	6,500,488	6,438,401	584,851	518,288	14,548,780	512,202	8,881,802	294,748	6,540,837	230,105	884,388
$500,000 or more	12,884	13,880,879	9,838,208	5,743,880	5,723,144	172,476	170,817	15,488,888	167,741	6,748,712	98,855	9,344,884	73,821	618,838

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions: Gross sales price: Number of transactions	Gross sales price: Amount	Cost or other basis and expenses of sale: Number of transactions	Cost or other basis and expenses of sale: Amount	Gross gain: Number of transactions	Gross gain: Amount	Gross loss: Number of transactions	Gross loss: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
U.S. Government Obligations														
All returns, total	134,186	8,518,844	6,533,837	2,349,525	2,377,759	280,465	288,438	48,712,107	235,894	48,784,722	111,873	581,822	183,492	494,447
No adjusted gross income	1,484	−228,884	—	*19	5,792	4,830	4,486	2,980,278	4,182	2,584,112	2,361	45,880	2,479	48,455
Under $10,000	*16,654	*89,998	*47,855	*2,625	*2,679	*16,865	*15,776	*131,284	*16,654	*139,283	*11,587	*980	*3,089	*7,979
$10,000 under $15,000	*8,057	*108,055	*83,080	*8,510	*24,864	*10,580	*10,580	*98,270	*10,580	*79,881	*8,180	*13,298	*2,801	*4,827
$15,000 under $20,000	*8,240	*144,808	*140,247	*17,043	*16,831	*8,240	*3,809	*87,135	*3,809	*57,823	—	—	*8,249	*488
$20,000 under $30,000	*8,512	*307,213	*138,450	*18,385	*18,715	*11,660	*11,649	*211,885	*11,660	*212,451	*1,160	*1,822	*10,467	*2,378
$30,000 under $50,000	53,588	2,280,484	1,860,822	416,511	408,809	88,409	86,341	22,867,201	86,341	22,885,380	34,080	75,010	54,349	73,105
$50,000 under $100,000	22,199	1,491,094	1,259,287	375,312	389,876	74,157	48,022	2,871,413	53,774	2,889,488	28,824	42,307	45,333	89,249
$100,000 under $200,000	9,980	1,402,861	1,024,808	425,280	434,854	31,200	27,080	3,882,515	23,479	3,912,828	15,454	72,708	15,848	123,082
$200,000 under $500,000	4,105	1,157,332	788,307	383,585	407,442	12,343	11,881	7,878,711	11,884	7,808,225	7,044	108,445	8,289	88,980
$500,000 or more	1,419	1,888,025	1,180,880	688,554	887,387	6,081	6,430	9,163,384	6,431	9,127,780	3,321	140,732	3,589	105,184
Taxable returns, total	119,327	8,088,116	6,501,845	2,347,188	2,377,759	347,514	211,730	47,228,080	213,867	47,305,748	183,248	483,388	144,374	438,482
No adjusted gross income	152	−43,002	—	*19	5,792	937	920	518,888	927	515,901	256	10,378	381	7,424
Under $10,000	*5,376	*31,031	*34,211	*2,625	*2,979	*5,370	*5,376	*32,257	*5,376	*32,188	*5,376	*71	—	—
$10,000 under $15,000	*8,874	*84,012	*80,297	*8,510	*24,884	*9,807	*9,807	*82,571	*9,807	*58,858	*7,848	*12,877	*1,858	*1,089
$15,000 under $20,000	*8,249	*144,808	*140,247	*17,043	*16,831	*8,249	*3,809	*57,135	*3,809	*57,823	—	—	*8,249	*488
$20,000 under $30,000	*8,510	*307,171	*138,450	*18,385	*18,715	*11,646	*11,647	*211,742	*11,646	*212,386	*1,160	*1,822	*10,465	*2,388
$30,000 under $50,000	52,900	2,244,858	1,857,595	415,434	408,808	87,364	87,288	22,781,333	87,288	22,778,321	34,064	74,818	53,350	71,799
$50,000 under $100,000	22,195	1,480,888	1,259,275	375,312	389,876	74,140	48,005	2,843,168	59,757	2,860,887	28,812	41,711	45,338	89,228
$100,000 under $200,000	9,962	1,388,461	1,023,678	425,084	434,854	31,244	27,043	3,851,214	23,423	3,901,580	15,388	72,848	15,846	123,022
$200,000 under $500,000	4,091	1,153,298	787,419	383,181	407,442	12,290	11,812	7,881,382	11,816	7,761,081	7,016	108,167	8,275	87,988
$500,000 or more	1,416	1,883,810	1,180,888	688,554	887,387	6,867	6,430	9,182,988	6,419	9,127,388	3,318	140,711	3,852	105,089
State and Local Government Obligations														
All returns, total	343,821	34,416,421	19,375,782	6,286,368	6,367,673	885,157	888,880	14,185,161	824,312	16,473,418	180,731	331,388	885,488	3,888,838
No adjusted gross income	6,182	−318,139	—	*115	6,416	11,790	11,775	574,882	11,760	670,187	4,880	5,882	6,880	102,816
Under $10,000	*12,134	*87,945	*42,825	*173	*177	*58,102	*58,182	*320,730	*58,102	*385,821	*11,049	*2,333	*45,138	*77,224
$10,000 under $15,000	*16,030	*211,880	*164,954	*38,670	*37,851	*110,180	*110,180	*713,848	*110,180	*731,278	*54,744	*35,570	*55,438	*80,205
$15,000 under $20,000	*11,347	*198,187	*195,382	*25,124	*27,518	*12,171	*12,171	*85,557	*12,171	*91,584	—	—	*12,171	*25,989
$20,000 under $30,000	12,832	332,102	288,849	47,704	88,730	18,477	15,328	171,380	18,477	234,918	—	—	18,477	80,815
$30,000 under $50,000	54,881	2,200,017	1,836,580	488,376	447,812	148,780	132,084	880,544	148,757	1,217,831	41,467	34,088	108,298	352,380
$50,000 under $100,000	88,482	4,709,074	3,798,480	1,141,838	1,116,728	189,751	187,882	2,077,430	189,888	2,582,488	33,082	46,348	168,720	500,358
$100,000 under $200,000	39,433	5,382,108	4,378,253	1,852,385	1,829,848	131,757	131,142	2,424,234	131,334	2,883,884	18,144	38,838	112,813	488,857
$200,000 under $500,000	18,144	5,548,754	4,188,790	2,127,182	2,111,880	95,790	95,548	3,047,133	95,574	3,515,143	17,800	81,857	78,187	548,884
$500,000 or more	5,038	8,087,878	4,377,888	2,807,913	2,579,487	38,290	38,188	3,884,822	38,188	4,300,487	7,888	88,880	38,487	384,838
Taxable returns, total	238,866	24,895,819	19,288,886	6,280,131	6,367,673	774,861	709,284	13,485,718	774,872	15,880,338	178,887	328,883	885,384	2,448,878
No adjusted gross income	165	−95,141	—	*118	6,416	1,230	1,205	148,885	1,238	164,827	258	2,240	880	20,072
Under $10,000	*5,088	*47,845	*42,825	*173	*177	*16,790	*16,790	*195,730	*16,790	*198,117	*5,088	*2,228	*11,198	*4,828
$10,000 under $15,000	*16,030	*211,880	*164,954	*38,670	*37,851	*110,180	*110,180	*713,848	*110,180	*731,278	*54,744	*35,570	*55,438	*80,205
$15,000 under $20,000	*11,347	*198,187	*195,382	*25,124	*27,518	*12,171	*12,171	*85,557	*12,171	*91,584	—	—	*12,171	*25,989
$20,000 under $30,000	12,029	332,028	288,827	47,701	88,730	18,485	15,328	171,128	18,485	284,382	—	—	18,485	88,489
$30,000 under $50,000	54,779	2,194,888	1,885,446	488,378	447,812	148,659	131,983	887,344	143,888	1,215,388	41,487	34,088	108,172	382,148
$50,000 under $100,000	88,464	4,705,918	3,794,828	1,141,234	1,116,728	189,601	187,822	2,075,241	189,828	2,580,230	32,877	45,233	188,704	588,188
$100,000 under $200,000	39,420	5,382,105	4,378,253	1,882,385	1,829,848	131,757	131,142	2,424,234	131,334	2,883,884	18,144	38,838	112,813	488,887
$200,000 under $500,000	19,132	5,546,888	4,188,754	2,128,745	2,111,830	95,749	95,807	3,845,321	95,534	3,512,830	17,887	81,845	78,182	548,182
$500,000 or more	5,027	8,078,880	4,373,818	2,884,817	2,579,487	38,193	38,082	3,780,881	38,088	4,848,784	7,748	88,128	30,448	384,185

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions: Gross sales price: Number of transactions	Gross sales price: Amount	Cost or other basis and expenses of sale: Number of transactions	Cost or other basis and expenses of sale: Amount	Gross gain: Number of transactions	Gross gain: Amount	Gross loss: Number of transactions¹	Gross loss: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Other Bonds, Notes, and Debentures														
All returns, total	126,267	9,495,824	7,863,906	2,069,544	2,056,129	173,316	163,495	3,246,864	164,171	3,011,576	45,878	242,346	137,439	607,363
No adjusted gross income	362	-154,889	—	*45	5,057	586	584	145,032	545	154,414	224	8,457	362	17,838
Under $10,000	16,539	114,379	*107,514	*5,039	*4,837	19,894	16,790	23,379	*16,962	*20,229	*4,472	*7,010	*16,522	*3,870
$10,000 under $15,000	*3,401	*41,187	*37,734	*3,761	*5,391	*3,401	*3,401	*40,743	*3,401	*98,447	—	—	*3,401	*25,704
$15,000 under $20,000	*11,176	*191,978	*173,730	*25,168	*28,449	*11,176	*11,128	*121,079	*11,176	*137,428	*1,337	*195	*9,839	*18,545
$20,000 under $30,000	*12,525	*338,850	*281,754	*44,494	*42,856	*12,525	*9,628	*24,537	*12,525	*42,549	*5,316	*1,099	*7,209	*19,110
$30,000 under $50,000	22,041	870,043	769,034	166,117	157,169	28,517	26,179	462,636	21,371	457,914	11,846	57,144	14,671	32,422
$50,000 under $100,000	33,579	2,274,287	1,904,536	589,758	580,612	43,861	40,884	510,286	42,463	652,980	8,277	14,844	36,364	157,538
$100,000 under $200,000	18,125	2,426,585	1,929,171	782,783	753,471	40,779	38,833	916,567	39,623	969,156	10,160	61,835	30,619	114,402
$200,000 under $500,000	5,090	1,461,056	1,080,229	522,210	529,086	10,240	9,948	384,801	9,779	415,155	3,344	40,846	6,898	61,169
$500,000 or more	1,529	1,862,546	1,300,803	771,170	771,102	4,436	4,251	587,585	4,306	585,395	1,100	90,916	3,336	58,725
Taxable returns, total	117,169	9,521,890	7,829,636	2,069,612	2,056,129	162,390	153,908	3,169,886	154,169	3,446,816	43,475	232,499	118,833	499,884
No adjusted gross income	90	-34,870	—	*45	5,057	167	156	108,344	165	100,309	81	4,209	86	5,173
Under $10,000	*9,736	*72,876	*77,614	*4,834	*4,837	*9,960	*9,960	*13,014	*7,757	*11,769	*2,365	*2,162	*7,595	*916
$10,000 under $15,000	*3,401	*41,187	*37,734	*3,761	*5,391	*3,401	*3,401	*40,743	*3,401	*98,447	—	—	*3,401	*25,704
$15,000 under $20,000	*11,176	*191,978	*173,730	*25,168	*28,449	*11,176	*11,128	*121,079	*11,176	*137,428	*1,337	*195	*9,839	*18,545
$20,000 under $30,000	*12,525	*338,850	*281,754	*44,494	*42,856	*12,525	*9,628	*24,537	*12,525	*42,549	*5,316	*1,099	*7,209	*19,110
$30,000 under $50,000	21,907	863,732	767,134	165,936	157,169	28,203	25,865	479,513	23,057	454,086	11,846	57,144	14,557	31,724
$50,000 under $100,000	33,575	2,273,966	1,904,536	589,753	580,612	43,856	40,880	510,089	42,489	652,817	8,274	14,804	36,362	157,531
$100,000 under $200,000	18,097	2,423,155	1,926,939	782,603	753,471	40,695	38,749	912,509	39,539	965,410	10,102	61,487	30,593	114,365
$200,000 under $500,000	5,074	1,459,303	1,059,391	521,843	529,086	10,082	9,791	381,740	9,621	412,247	3,254	40,463	6,628	60,969
$500,000 or more	1,528	1,862,021	1,300,803	771,170	771,102	4,435	4,250	586,935	4,305	584,745	1,100	90,916	3,335	58,725
Commodities, Including Futures Contracts														
All returns, total	197,286	10,275,195	8,690,866	3,064,690	3,062,787	1,169,034	667,169	30,775,813	625,739	30,315,443	492,291	3,734,860	670,858	3,369,762
No adjusted gross income	4,334	-692,536	—	*57	17,262	27,162	16,763	5,240,840	16,472	5,349,806	13,003	316,336	14,179	431,862
Under $10,000	16,465	116,465	94,167	*1,813	4,896	40,224	36,299	685,743	36,297	794,151	14,527	29,067	25,697	121,801
$10,000 under $15,000	19,543	234,986	210,310	21,650	40,242	75,345	62,911	283,823	70,784	321,531	53,209	9,192	22,136	46,961
$15,000 under $20,000	16,913	324,141	199,004	19,784	21,412	30,408	14,817	1,862,869	28,319	1,886,809	4,247	184,334	26,161	308,621
$20,000 under $30,000	23,415	563,750	602,680	66,662	56,302	167,178	99,926	261,762	106,784	334,493	70,026	116,296	97,152	204,531
$30,000 under $50,000	53,247	2,149,219	1,866,070	364,606	377,772	156,830	121,330	2,666,606	140,433	2,725,380	86,814	199,193	99,025	330,339
$50,000 under $100,000	37,481	2,486,285	1,867,562	508,323	486,427	441,379	200,803	4,054,816	281,546	4,179,024	174,834	295,361	288,545	425,835
$100,000 under $200,000	14,880	1,827,409	1,433,958	584,709	530,192	144,467	80,021	2,046,207	86,257	2,176,265	64,697	375,174	79,770	513,401
$200,000 under $500,000	5,259	1,531,178	1,135,959	562,887	567,079	50,547	37,429	6,603,510	35,339	6,186,479	25,255	746,138	25,292	397,404
$500,000 or more	1,929	2,232,299	1,992,147	684,334	641,141	30,466	21,819	7,067,637	19,509	6,240,355	15,769	1,453,819	14,895	673,459
Taxable returns, total	176,939	11,182,540	8,799,213	3,039,964	3,062,787	1,021,887	607,247	25,390,871	719,896	24,399,171	438,961	3,499,349	603,838	2,835,751
No adjusted gross income	714	-131,247	—	*57	17,262	7,344	4,946	727,936	4,324	705,966	3,848	308,352	3,496	196,999
Under $10,000	7,879	63,785	*63,560	*1,791	4,896	9,194	9,169	13,739	*4,285	*10,141	*4,884	*6,787	*4,230	*3,169
$10,000 under $15,000	12,425	152,809	*128,800	*17,142	40,242	56,636	*49,219	*48,546	51,084	65,083	*47,732	*7,229	7,806	23,771
$15,000 under $20,000	17,561	300,627	194,407	19,784	21,412	29,056	13,466	1,871,066	25,867	1,872,573	4,247	184,334	24,809	298,099
$20,000 under $30,000	20,679	517,331	455,326	60,840	56,302	100,077	70,384	126,383	68,141	152,325	*41,569	*22,400	58,509	60,696
$30,000 under $50,000	52,597	2,124,829	1,960,030	381,081	377,772	154,779	120,538	2,664,350	139,929	2,723,204	86,258	196,031	98,521	319,246
$50,000 under $100,000	37,239	2,448,490	1,847,449	508,823	486,427	440,471	200,456	4,061,161	280,980	4,174,069	174,490	292,882	285,961	421,615
$100,000 under $200,000	14,866	1,826,172	1,433,253	584,466	530,192	144,340	79,953	2,045,792	86,196	2,175,546	64,631	374,862	79,709	512,766
$200,000 under $500,000	5,240	1,527,345	1,135,231	562,865	567,079	50,323	37,300	6,534,251	35,170	6,169,918	25,154	742,811	25,169	394,776
$500,000 or more	1,929	2,232,299	1,992,147	684,334	641,141	30,466	21,819	7,067,637	19,509	6,249,355	15,769	1,453,819	14,895	673,459

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1. — All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions¹	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Capital Gain Distributions														
All returns, total	944,985	48,822,887	40,192,143	12,782,343	12,808,310	1,148,480	—	—	—	—	1,033,088	1,957,389	112,334	222,291
No adjusted gross income	6,756	-777,498	—	*116	22,429	6,849	—	—	—	—	6,581	67,969	288	9,390
Under $10,000	128,196	883,862	624,335	31,601	30,986	130,204	—	—	—	—	127,432	106,979	*2,772	*1
$10,000 under $15,000	68,331	881,879	761,821	103,288	100,398	80,982	—	—	—	—	67,781	49,513	*13,201	*5,491
$15,000 under $20,000	40,133	712,852	584,086	71,420	73,413	40,725	—	—	—	—	40,299	18,964	*426	*393
$20,000 under $30,000	139,732	3,526,960	3,193,867	503,646	458,786	197,277	—	—	—	—	183,055	277,114	*14,222	*95,880
$30,000 under $50,000	259,549	9,950,475	8,828,773	1,865,979	1,824,080	306,708	—	—	—	—	281,366	300,501	38,340	15,812
$50,000 under $100,000	224,620	14,807,525	12,713,443	3,787,810	3,887,824	282,707	—	—	—	—	259,198	460,915	23,509	46,621
$100,000 under $200,000	58,512	7,794,675	6,484,866	2,898,744	2,832,034	76,754	—	—	—	—	63,540	265,645	13,214	24,832
$200,000 under $500,000	19,575	5,489,771	4,272,566	2,122,680	2,092,526	24,139	—	—	—	—	19,920	255,049	4,219	17,202
$500,000 or more	3,556	3,772,389	2,734,818	1,507,177	1,582,224	5,067	—	—	—	—	3,914	154,771	1,143	7,216
Taxable returns, total	884,079	48,670,172	39,730,875	12,732,356	12,808,310	1,061,898	—	—	—	—	951,048	1,874,114	110,820	221,832
No adjusted gross income	1,007	-149,968	—	*116	22,429	1,020	—	—	—	—	1,013	44,241	*13	*8,641
Under $10,000	71,920	488,285	486,080	30,504	30,986	73,463	—	—	—	—	71,922	71,103	*1,541	(2)
$10,000 under $15,000	62,944	822,708	756,378	103,214	100,988	77,585	—	—	—	—	64,394	38,427	*13,201	*5,491
$15,000 under $20,000	40,078	711,035	582,964	71,375	73,413	40,512	—	—	—	—	40,086	18,717	*426	*393
$20,000 under $30,000	128,633	3,215,096	2,914,486	465,934	458,786	168,178	—	—	—	—	171,956	274,187	*14,222	*95,880
$30,000 under $50,000	253,582	9,748,316	8,812,486	1,865,841	1,824,080	294,739	—	—	—	—	255,398	291,331	38,340	15,812
$50,000 under $100,000	224,344	14,781,955	12,687,981	3,778,739	3,887,824	282,431	—	—	—	—	258,922	460,886	23,509	46,621
$100,000 under $200,000	58,508	7,793,853	6,484,660	2,898,744	2,832,034	76,748	—	—	—	—	63,534	265,641	13,214	24,832
$200,000 under $500,000	19,561	5,486,522	4,270,221	2,121,663	2,092,526	24,117	—	—	—	—	19,906	255,011	4,211	17,197
$500,000 or more	3,556	3,772,389	2,734,818	1,507,177	1,582,224	5,067	—	—	—	—	3,914	154,771	1,143	7,216
Share of Capital Gain or Loss From Partnerships and Fiduciaries														
All returns, total	788,578	58,172,515	48,766,394	15,854,883	16,093,796	1,870,194	—	—	—	—	781,830	10,382,189	308,538	2,150,883
No adjusted gross income	19,349	-2,773,376	—	*156	58,433	28,263	—	—	—	—	23,576	1,158,898	2,688	87,535
Under $10,000	111,965	580,483	577,008	33,804	47,327	155,146	—	—	—	—	113,131	775,953	42,015	1,130,454
$10,000 under $15,000	50,320	637,161	543,825	54,740	79,402	61,688	—	—	—	—	32,811	143,405	27,877	65,165
$15,000 under $20,000	28,050	503,385	453,382	55,078	57,988	32,962	—	—	—	—	24,387	52,564	8,595	1,567
$20,000 under $30,000	94,178	2,350,460	1,885,056	314,190	304,211	121,324	—	—	—	—	86,600	583,227	34,724	38,147
$30,000 under $50,000	177,856	7,228,893	5,977,587	1,267,917	1,239,656	238,177	—	—	—	—	177,636	734,880	80,542	98,224
$50,000 under $100,000	185,469	12,862,040	10,071,308	3,022,467	2,968,060	252,054	—	—	—	—	171,704	1,558,682	80,360	184,439
$100,000 under $200,000	82,916	11,221,080	8,640,027	3,542,841	3,475,725	120,746	—	—	—	—	86,484	1,700,145	34,282	148,359
$200,000 under $500,000	30,747	8,922,883	6,627,424	3,281,959	3,279,828	48,391	—	—	—	—	34,693	1,629,578	13,886	170,089
$500,000 or more	7,700	8,519,495	5,990,608	3,461,732	3,493,178	13,413	—	—	—	—	9,606	2,033,858	3,807	220,702
Taxable returns, total	786,093	51,868,743	48,457,128	15,834,815	16,093,796	939,815	—	—	—	—	682,900	9,332,440	276,718	947,358
No adjusted gross income	3,108	-487,025	—	*156	58,433	4,481	—	—	—	—	3,486	539,566	975	33,639
Under $10,000	58,469	384,190	425,157	32,808	47,327	63,998	—	—	—	—	47,508	512,433	16,462	7,188
$10,000 under $15,000	47,197	596,651	528,613	54,496	79,402	58,565	—	—	—	—	31,803	126,539	*28,762	*54,036
$15,000 under $20,000	24,732	447,222	419,204	51,627	57,988	28,818	—	—	—	—	20,238	48,978	*8,580	*1,645
$20,000 under $30,000	88,597	2,246,438	1,870,198	313,465	304,211	115,029	—	—	—	—	83,322	463,010	31,707	36,080
$30,000 under $50,000	174,828	7,100,371	5,808,588	1,257,359	1,239,656	235,009	—	—	—	—	174,759	727,715	80,250	94,958
$50,000 under $100,000	184,868	12,840,370	10,052,457	3,019,554	2,968,096	251,295	—	—	—	—	171,105	1,556,630	80,190	183,894
$100,000 under $200,000	82,851	11,213,857	8,638,794	3,542,661	3,475,725	120,861	—	—	—	—	86,403	1,695,981	34,258	148,310
$200,000 under $500,000	30,729	8,917,981	6,626,035	3,281,263	3,279,828	48,367	—	—	—	—	34,673	1,628,663	13,884	170,048
$500,000 or more	7,689	8,518,809	5,990,080	3,461,409	3,493,178	13,412	—	—	—	—	9,606	2,032,925	3,807	220,702

Footnotes at end of table

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions[1]	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Capital Gain Distributions From Small Business Corporations														
All returns, total	92,282	3,854,911	2,888,088	1,138,272	1,082,087	71,818	—	—	—	—	67,816	488,871	2,198	3,398
No adjusted gross income	734	-247,518	—	—	8,687	804	—	—	—	—	791	19,434	*13	*87
Under $10,000	16,702	84,700	69,228	*2,796	*2,731	16,702	—	—	—	—	16,702	19,484	—	—
$10,000 under $15,000	*3,136	*38,640	*30,830	*2,079	*1,025	*3,140	—	—	—	—	*2,297	*9,862	*843	*858
$15,000 under $20,000	*4,947	*94,322	*94,322	*15,016	*11,948	*4,947	—	—	—	—	*4,947	*48,000	—	—
$20,000 under $30,000	*6,423	*190,080	*169,512	*25,294	*24,472	*7,882	—	—	—	—	*7,882	*7,147	—	—
$30,000 under $50,000	10,808	448,471	384,224	68,816	65,880	10,808	—	—	—	—	10,808	87,421	—	—
$50,000 under $100,000	11,244	807,437	588,884	176,186	155,073	15,981	—	—	—	—	14,487	88,273	*1,484	*2,045
$100,000 under $200,000	5,402	887,810	880,832	215,730	182,756	7,131	—	—	—	—	6,519	78,015	*612	*461
$200,000 under $500,000	2,183	833,946	475,582	234,613	230,073	2,886	—	—	—	—	2,519	25,474	*176	*38
$500,000 or more	801	910,312	868,855	386,843	400,080	1,140	—	—	—	—	1,073	141,760	67	88
Taxable returns, total	40,005	3,730,880	2,808,608	1,129,810	1,048,087	89,818	—	—	—	—	83,428	442,888	3,198	2,391
No adjusted gross income	382	-84,814	—	—	8,687	445	—	—	—	—	407	7,410	*8	*2
Under $10,000	*5,762	*35,983	*35,875	*2,871	*2,731	*5,762	—	—	—	—	*5,762	*474	—	—
$10,000 under $15,000	*947	*10,888	*10,842	*380	*1,025	*849	—	—	—	—	*0	*12	*843	*858
$15,000 under $20,000	*4,947	*94,322	*94,322	*15,016	*11,948	*4,947	—	—	—	—	*4,947	*48,000	—	—
$20,000 under $30,000	*6,423	*190,080	*169,512	*25,294	*24,472	*7,882	—	—	—	—	*7,882	*7,147	—	—
$30,000 under $50,000	10,347	429,804	*349,784	*68,460	65,880	10,347	—	—	—	—	10,347	78,060	—	—
$50,000 under $100,000	10,883	781,348	588,041	171,348	155,073	15,620	—	—	—	—	14,138	88,881	*1,484	*2,046
$100,000 under $200,000	5,402	887,810	880,832	215,730	182,756	7,131	—	—	—	—	6,519	78,015	*612	*461
$200,000 under $500,000	2,181	833,544	475,272	234,409	230,073	2,883	—	—	—	—	2,517	25,472	*176	*38
$500,000 or more	801	910,312	868,855	381,843	400,080	1,140	—	—	—	—	1,073	141,760	67	88
Liquidation Distributions														
All returns, total	44,188	3,339,671	2,754,324	1,104,888	1,127,486	51,586	—	—	—	—	37,888	1,388,888	18,847	182,392
No adjusted gross income	1,888	-279,255	—	—	6,247	1,848	—	—	—	—	1,532	48,880	114	6,280
Under $10,000	*5,598	*22,504	*22,500	*	*	*5,598	—	—	—	—	**	**	*5,598	*56,980
$10,000 under $15,000	*5,030	*85,876	*37,888	*1,870	*2,588	*5,030	—	—	—	—	**4,047	**7,406	*385	*45,287
$15,000 under $20,000	*529	*8,885	*3,543	*192	—	*529	—	—	—	—	—	—	*529	*6,804
$20,000 under $30,000	9,865	280,067	*258,436	*35,550	35,536	9,986	—	—	—	—	*7,584	*74,987	*2,411	*2,440
$30,000 under $50,000	*779	*34,321	*28,027	*6,488	*9,434	*845	—	—	—	—	*816	*44,886	*29	*1,156
$50,000 under $100,000	12,905	848,884	721,860	210,504	210,735	16,181	—	—	—	—	13,881	73,157	*2,800	*7,807
$100,000 under $200,000	5,244	734,438	828,509	211,918	208,180	7,441	—	—	—	—	6,272	178,507	1,169	5,774
$200,000 under $500,000	1,943	587,106	411,254	205,372	212,980	2,932	—	—	—	—	2,298	157,383	888	10,788
$500,000 or more	836	1,058,808	746,516	432,775	441,808	1,308	—	—	—	—	1,160	714,122	148	10,438
Taxable returns, total	36,291	3,544,391	2,728,798	1,104,477	1,127,485	43,746	—	—	—	—	36,764	1,275,184	6,882	43,187
No adjusted gross income	408	-37,836	—	—	6,247	436	—	—	—	—	370	27,886	60	4,088
Under $10,000	**	**	*15	*	*	**	—	—	—	—	**	**	—	—
$10,000 under $15,000	**4,816	**61,283	*37,888	*1,870	*2,556	**4,816	—	—	—	—	**4,810	**7,400	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	9,865	280,067	*258,436	*35,550	35,536	9,986	—	—	—	—	*7,584	*74,987	*2,411	*2,448
$30,000 under $50,000	*779	*34,321	*28,027	*6,488	*9,434	*845	—	—	—	—	*816	*44,886	*29	*1,156
$50,000 under $100,000	12,905	848,884	721,860	210,504	210,735	16,181	—	—	—	—	13,881	73,157	*2,800	*7,807
$100,000 under $200,000	5,244	734,438	523,509	211,918	208,180	7,441	—	—	—	—	6,272	178,507	1,169	5,774
$200,000 under $500,000	1,938	585,079	411,254	205,372	212,980	2,884	—	—	—	—	2,259	157,218	895	10,729
$500,000 or more	836	1,058,808	746,516	432,775	441,808	1,308	—	—	—	—	1,160	714,122	148	10,438

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions[1]	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Lump-Sum and Other Retirement Plan Distributions														
All returns, total	52,237	1,987,537	1,637,561	421,064	412,938	57,549	—	—	—	—	54,172	354,787	3,377	2,897
No adjusted gross income	*13	*-8,110	—	—	*406	*13	—	—	—	—	*7	*964	*6	*139
Under $10,000	*8,187	*34,851	*34,861	*4,575	*4,589	*8,187	—	—	—	—	*8,187	*25,834	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	*8,418	*116,898	*116,717	*15,582	*15,354	*8,418	—	—	—	—	*8,418	*80,130	—	—
$20,000 under $30,000	*5,728	*146,602	*129,662	*15,518	*13,658	*5,728	—	—	—	—	*5,728	*693	—	—
$30,000 under $50,000	*21,037	*888,536	*732,397	*154,666	*151,064	*26,176	—	—	—	—	*26,176	*148,204	—	—
$50,000 under $100,000	7,818	468,696	366,488	90,947	87,846	7,818	—	—	—	—	*4,684	*4,554	*3,134	*1,123
$100,000 under $200,000	*503	*80,568	*58,954	*25,129	*25,883	*503	—	—	—	—	*472	*22,309	*31	*187
$200,000 under $500,000	417	108,926	87,407	48,400	47,674	573	—	—	—	—	379	52,716	*194	*1,196
$500,000 or more	116	171,575	111,086	66,248	66,464	133	—	—	—	—	121	19,383	*12	*252
Taxable returns, total	52,229	1,992,953	1,637,561	421,064	412,938	57,541	—	—	—	—	54,167	354,465	3,374	2,806
No adjusted gross income	*5	*-2,694	—	—	*406	*5	—	—	—	—	*2	*642	*3	*48
Under $10,000	*8,187	*34,851	*34,861	*4,575	*4,589	*8,187	—	—	—	—	*8,187	*25,834	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	*8,418	*116,898	*116,717	*15,582	*15,354	*8,418	—	—	—	—	*8,418	*80,130	—	—
$20,000 under $30,000	*5,728	*146,602	*129,662	*15,518	*13,658	*5,728	—	—	—	—	*5,728	*693	—	—
$30,000 under $50,000	*21,037	*888,536	*732,397	*154,666	*151,064	*26,176	—	—	—	—	*26,176	*148,204	—	—
$50,000 under $100,000	7,818	468,696	366,488	90,947	87,846	7,818	—	—	—	—	*4,684	*4,554	3,134	*1,123
$100,000 under $200,000	*503	*80,568	*58,954	*25,129	*25,883	*503	—	—	—	—	*472	*22,309	*31	*187
$200,000 under $500,000	417	108,926	87,407	48,400	47,674	573	—	—	—	—	379	52,716	*194	*1,196
$500,000 or more	116	171,575	111,086	66,248	66,464	133	—	—	—	—	121	19,383	*12	*252
Involuntary Casualty/Theft Conversions														
All returns, total	38	29,486	14,196	8,821	9,731	42	*35	*1,223	*14	*215	*34	*1,186	*6	*51
No adjusted gross income	**	**	—	—	—	**	**	**	**	**	—	—	—	—
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	**	**	*13	**	*3	**	**	**	—	**	—	—	**	**
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $100,000	**	**	*70	**23	*17	**	**	**	—	**	**	**	—	—
$100,000 under $200,000	*24	*2,393	*504	*34	*971	**24	**24	**1,156	—	—	**23	*1,147	—	—
$200,000 under $500,000	*4	*1,554	*1,131	*562	*533	*4	*2	*16	**6	**46	**	**	**	**
$500,000 or more	*10	*25,539	*12,478	*8,213	*8,208	*14	*9	*51	*8	*169	**11	**39	**6	**51
Taxable returns, total	38	29,486	14,196	8,821	9,731	42	35	*1,222	14	*215	*34	*1,186	*6	*51
No adjusted gross income	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	**	**	*13	**	*3	*1	**	*5	**	**	—	—	**	**
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $100,000	**	**	*70	**23	*17	**	**	*19	**	**	**	**	—	—
$100,000 under $200,000	**24	*2,393	*504	*34	*971	*22	*22	*1,132	—	—	23	*1,147	—	—
$200,000 under $500,000	*4	*1,554	*1,131	*562	*533	*4	**	*16	**6	**46	**	**	**	**
$500,000 or more	*10	*25,539	*12,478	*8,213	*8,208	*14	*9	*51	*8	*169	**11	**39	**6	**51

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions[1]	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Involuntary Conversions by Other Than Casualty or Theft (Section 1231)														
All returns, total	295,181	20,099,478	17,416,868	6,690,065	6,632,492	384,390	333,086	5,046,757	140,032	1,168,551	297,361	4,304,433	87,029	123,545
No adjusted gross income	21,949	-2,417,636	—	*562	34,674	28,269	24,211	643,113	13,186	162,482	19,547	541,884	8,721	40,969
Under $10,000	26,161	151,892	161,000	*12,503	13,694	38,625	29,722	183,918	21,941	96,684	28,609	121,221	*8,016	*2,041
$10,000 under $15,000	20,502	253,612	227,909	18,137	15,109	25,538	25,518	143,204	9,773	96,129	23,011	55,601	*2,527	*3,696
$15,000 under $20,000	12,676	221,100	189,480	16,956	13,216	25,038	17,776	99,500	22,023	86,014	17,380	45,383	*7,658	*2,683
$20,000 under $30,000	41,472	1,040,769	959,028	135,515	115,157	48,683	47,163	387,956	18,366	242,229	33,687	195,861	14,996	17,840
$30,000 under $50,000	47,228	1,886,894	1,613,415	323,360	309,164	57,929	47,281	219,861	15,469	83,726	45,225	163,094	12,704	8,253
$50,000 under $100,000	66,972	4,622,099	3,638,422	1,050,450	1,029,058	91,473	80,822	733,523	25,526	142,704	70,979	643,745	20,494	18,089
$100,000 under $200,000	37,876	5,186,863	4,028,211	1,612,718	1,599,355	45,329	39,371	904,665	8,354	78,527	38,254	843,562	7,076	8,066
$200,000 under $500,000	15,277	4,501,694	3,330,196	1,630,499	1,637,319	19,553	16,163	744,189	4,062	106,306	15,864	664,860	3,669	10,085
$500,000 or more	4,066	4,652,189	3,269,237	1,879,865	1,865,716	5,974	5,060	987,030	1,344	65,742	4,825	938,030	1,149	11,961
Taxable returns, total	245,478	21,829,548	17,183,868	6,659,910	6,632,462	317,983	271,122	4,422,733	108,499	896,152	249,137	3,773,832	65,846	80,094
No adjusted gross income	2,206	-389,568	—	*562	34,674	3,143	2,760	245,784	1,043	42,819	2,541	214,067	602	6,158
Under $10,000	11,927	78,416	92,972	*8,850	13,694	15,912	9,546	90,551	13,194	53,643	9,544	59,556	*6,398	*94
$10,000 under $15,000	9,746	134,689	125,425	*12,912	15,109	14,782	14,762	30,914	7,545	*11,279	12,255	27,994	*2,527	*3,696
$15,000 under $20,000	12,676	221,100	189,480	16,956	13,216	25,038	17,776	99,500	22,023	86,014	17,380	45,383	*7,658	*2,683
$20,000 under $30,000	39,431	969,562	920,505	129,963	115,157	39,601	38,302	376,546	10,184	224,937	32,987	192,143	*6,814	*14,671
$30,000 under $50,000	46,690	1,865,619	1,600,338	320,330	309,164	57,386	46,856	213,906	15,349	89,703	44,802	157,346	12,584	8,241
$50,000 under $100,000	65,592	4,597,683	3,630,570	1,049,479	1,029,058	91,092	80,553	731,889	25,412	139,183	70,711	642,113	20,381	14,570
$100,000 under $200,000	37,871	5,186,357	4,028,074	1,612,684	1,599,355	45,323	39,366	904,623	8,353	78,527	38,249	843,521	7,074	8,068
$200,000 under $500,000	15,266	4,498,242	3,329,529	1,630,169	1,637,319	19,536	16,146	743,014	4,052	106,306	15,847	653,895	3,660	10,085
$500,000 or more	4,064	4,648,438	3,265,774	1,877,985	1,865,716	5,970	5,055	986,004	1,344	65,742	4,821	938,004	1,149	11,961
Qualified Trade or Business Assets and Transactions not Elsewhere Classified (Section 1231)														
All returns, total	38,000	1,132,701	1,023,903	296,730	277,712	34,847	33,911	682,841	29,097	427,135	24,459	415,543	10,188	22,391
No adjusted gross income	611	-131,517	—	—	1,790	1,290	1,269	62,833	1,250	67,361	84	12,178	1,209	9,299
Under $10,000	*1,339	*1,401	*1,401	—	—	*1,339	*1,339	*3,214	*1,339	*3,348	*1,339	*33	—	—
$10,000 under $15,000	*2,115	*29,036	*26,708	*1,974	*1,553	*3,403	*3,403	*10,240	*3,403	*16,517	*825	*7,033	*2,578	*2,579
$15,000 under $20,000	*6,616	*104,092	*104,092	*9,992	*5,836	*6,616	*6,616	*99,379	*6,616	*76,432	*2,756	*84,709	*3,880	*166
$20,000 under $30,000	*8,815	*227,432	*204,394	*28,222	*27,556	*12,457	*12,457	*244,177	*10,770	*128,494	*11,288	*157,920	*1,169	*99
$30,000 under $50,000	*2,227	*98,996	*83,599	*17,440	*17,093	*2,227	*2,227	*71,546	*1,596	*42,250	*2,227	*57,903	—	—
$50,000 under $100,000	5,120	383,530	296,645	86,829	86,962	5,629	5,267	89,531	3,269	62,868	4,747	46,131	*992	*8,050
$100,000 under $200,000	1,136	165,798	115,821	46,078	37,440	1,138	832	39,786	579	12,107	827	28,532	*311	*121
$200,000 under $500,000	300	91,270	74,150	38,604	38,375	331	320	15,796	118	8,151	256	11,008	76	2,197
$500,000 or more	130	154,775	115,153	67,581	61,102	217	191	37,140	166	9,608	111	30,097	106	791
Taxable returns, total	25,080	1,227,753	1,010,412	295,947	277,712	31,236	30,527	619,268	25,820	357,781	22,160	406,483	9,088	14,032
No adjusted gross income	147	-9,217	—	—	1,790	166	160	*11,893	146	*5,360	*29	*7,234	*137	*54
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	*1,313	*18,926	*18,600	*1,468	*1,553	*2,601	*2,601	*13,626	*2,601	*13,044	*23	*4,906	*2,578	*2,579
$15,000 under $20,000	*6,616	*104,092	*104,092	*9,992	*5,836	*6,616	*6,616	*99,379	*6,616	*76,432	*2,756	*84,709	*3,880	*166
$20,000 under $30,000	*8,784	*226,712	*203,903	*28,178	*27,556	*12,426	*12,426	*243,945	*10,739	*128,184	*11,288	*157,920	*1,136	*74
$30,000 under $50,000	*2,116	*92,284	*82,266	*17,332	*17,093	*2,116	*2,116	*98,771	*1,596	*42,250	*2,116	*56,128	—	—
$50,000 under $100,000	5,119	383,461	296,636	86,829	86,962	5,629	5,266	89,531	3,269	62,868	4,746	46,131	*992	*8,050
$100,000 under $200,000	1,136	165,798	115,821	46,078	37,440	1,136	832	30,786	578	12,107	827	28,532	*311	*121
$200,000 under $500,000	299	90,941	73,939	38,491	38,375	330	319	15,205	117	7,899	254	10,615	76	2,197
$500,000 or more	130	154,775	115,153	67,581	61,102	217	191	37,140	166	9,608	111	30,097	106	791

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions: Gross sales price: Number of transactions	Gross sales price: Amount	Cost or other basis and expense of sale: Number of transactions	Cost or other basis and expense of sale: Amount	Gross gain: Number of transactions	Gross gain: Amount	Gross loss: Number of transactions[1]	Gross loss: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Qualified Gains on Nonfarm Depreciable Business and Personal Property, Except Certain Buildings (Section 1245)														
All returns, total	494,917	13,752,536	13,840,061	3,797,381	3,516,875	851,374	850,901	7,851,549	792,040	7,013,384	840,964	3,795,475	16,416	39
No adjusted gross income	52,149	-2,648,350	—	*9	33,269	149,534	149,480	1,650,701	138,546	1,453,416	149,015	608,836	519	2
Under $10,000	74,235	331,330	279,165	3,023	1,531	113,310	113,310	905,140	100,783	577,485	112,165	211,295	1,145	(2)
$10,000 under $15,000	55,530	686,811	625,274	45,057	31,315	82,631	82,631	734,859	81,499	650,697	82,631	290,376	—	—
$15,000 under $20,000	60,737	1,054,383	1,011,795	116,917	84,276	97,665	97,665	374,614	89,821	415,926	95,055	149,376	2,010	(2)
$20,000 under $30,000	82,819	2,043,014	1,815,345	261,442	180,811	139,863	130,856	553,652	121,523	682,348	130,099	314,972	764	(2)
$30,000 under $50,000	96,806	3,706,066	3,285,715	634,789	533,293	157,121	157,106	1,203,390	145,509	1,158,884	154,563	345,725	2,558	(2)
$50,000 under $100,000	50,350	3,255,733	2,773,937	785,232	711,627	81,746	81,493	1,342,435	77,886	1,099,787	80,637	732,264	1,109	(2)
$100,000 under $200,000	15,904	2,133,122	1,699,243	665,797	660,144	25,907	25,863	589,094	23,251	354,974	24,193	381,079	1,714	—
$200,000 under $500,000	4,975	1,458,382	1,121,065	558,561	555,145	9,516	9,439	422,576	8,569	324,393	9,083	192,511	433	6
$500,000 or more	1,412	1,730,030	1,228,521	726,553	725,463	3,081	3,059	285,068	2,661	115,475	2,923	220,041	150	31
Taxable returns, total	323,883	14,773,762	12,671,800	3,685,498	3,516,875	509,947	509,626	5,344,220	473,836	4,778,220	503,142	2,784,091	6,806	39
No adjusted gross income	5,557	-203,829	—	*9	33,269	23,463	23,461	218,462	18,424	190,047	23,393	82,901	70	2
Under $10,000	6,345	41,156	39,740	*1,288	1,531	6,351	6,351	32,681	6,346	*48,353	6,351	15,572	—	—
$10,000 under $15,000	35,637	451,529	437,332	35,684	31,315	59,735	59,735	624,499	58,593	749,762	59,735	208,519	—	—
$15,000 under $20,000	51,796	902,180	875,209	103,212	84,276	75,143	75,143	324,002	67,306	353,041	75,143	128,322	—	—
$20,000 under $30,000	59,730	1,495,992	1,388,189	206,410	180,811	77,343	77,336	355,8[illegible]	74,733	463,058	76,579	207,948	764	(2)
$30,000 under $50,000	92,527	3,537,432	3,139,561	605,614	533,293	148,259	148,244	1,156,[illegible]48	136,653	1,082,228	145,701	616,976	2,558	(2)
$50,000 under $100,000	50,071	3,236,337	2,764,952	783,684	711,627	81,409	81,156	1,337,296	77,557	1,093,236	80,300	730,978	1,109	(2)
$100,000 under $200,000	15,839	2,125,809	1,699,200	665,788	660,144	25,857	25,813	587,712	23,001	353,736	23,943	380,414	1,714	—
$200,000 under $500,000	4,971	1,457,276	1,120,419	558,257	555,145	9,511	9,434	422,466	8,564	324,274	9,079	192,426	432	6
$500,000 or more	1,410	1,727,880	1,226,869	725,555	725,463	3,076	3,054	285,079	2,666	115,464	2,918	220,035	150	31
Qualified Gains on Other Depreciable Real Property, Including Certain Buildings (Section 1250)														
All returns, total	144,893	5,722,276	5,015,781	1,400,375	1,472,258	156,346	151,510	16,086,557	146,547	10,223,917	160,469	5,887,261	5,877	(2)
No adjusted gross income	9,226	-619,360	—	—	27,304	11,229	11,220	1,316,231	10,794	862,796	11,228	543,048	3	(2)
Under $10,000	14,947	81,559	*55,641	*1,259	*1,172	15,203	14,663	764,758	14,663	427,034	14,663	323,942	540	(2)
$10,000 under $15,000	*17,048	*228,043	*190,697	*14,289	*29,226	*18,328	*16,564	*694,263	*16,564	*681,986	*16,564	*86,625	*1,764	(2)
$15,000 under $20,000	8,080	147,339	*125,244	*19,105	19,221	8,070	8,070	249,619	8,070	182,156	8,070	109,604	—	—
$20,000 under $30,000	17,642	469,823	391,419	51,616	47,317	16,104	16,786	1,071,769	16,759	805,330	16,361	344,985	1,743	(2)
$30,000 under $50,000	42,713	1,560,291	1,266,056	226,735	214,712	45,332	44,762	3,364,550	44,728	2,395,428	44,762	1,192,319	570	(2)
$50,000 under $100,000	26,253	1,843,341	1,497,933	396,176	425,966	29,190	26,576	5,004,645	24,729	3,474,648	26,277	1,785,020	913	(2)
$100,000 under $200,000	6,557	871,879	663,005	258,050	267,173	7,650	7,650	1,261,785	7,385	723,043	7,344	626,544	306	(2)
$200,000 under $500,000	1,896	555,589	399,416	192,242	196,353	2,545	2,526	760,194	2,222	434,586	2,526	392,972	19	(2)
$500,000 or more	551	583,772	426,369	240,901	243,792	686	682	514,721	633	256,930	676	312,202	19	(2)
Taxable returns, total	127,966	6,151,724	4,983,452	1,398,419	1,472,258	137,188	132,353	13,381,869	127,830	9,142,795	131,749	5,048,220	5,448	(2)
No adjusted gross income	1,544	-96,145	—	—	27,304	2,035	2,015	412,461	2,014	213,268	2,036	226,695	—	—
Under $10,000	*6,956	*36,148	*34,462	*1,259	*1,172	*6,958	*6,418	*381,214	*6,418	*249,447	*6,418	*91,881	*540	(2)
$10,000 under $15,000	*17,048	*228,043	*190,697	*14,289	*29,226	*18,328	*16,564	*694,263	*16,564	*681,986	*16,564	*86,625	*1,764	(2)
$15,000 under $20,000	8,030	146,857	*125,096	*19,105	19,221	8,040	8,040	243,319	8,040	159,024	8,040	109,287	—	—
$20,000 under $30,000	17,188	458,139	385,531	51,182	47,317	17,200	15,882	863,386	15,880	642,140	15,882	285,498	1,318	(2)
$30,000 under $50,000	42,065	1,533,196	1,263,063	226,612	214,712	44,684	44,114	3,259,730	44,080	2,319,936	44,114	1,157,191	570	(2)
$50,000 under $100,000	26,140	1,836,213	1,496,575	396,099	425,966	29,077	28,464	5,001,355	24,617	3,471,779	28,165	1,784,315	912	(2)
$100,000 under $200,000	6,552	871,323	662,912	258,026	267,173	7,631	7,631	1,270,802	7,366	713,844	7,325	623,079	306	(2)
$200,000 under $500,000	1,891	554,177	398,747	191,947	196,353	2,540	2,523	759,756	2,218	434,443	2,521	392,649	19	(2)
$500,000 or more	551	583,772	426,369	240,901	243,792	686	682	514,721	633	256,930	676	312,202	19	(2)

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions: Gross sales price: Number of transactions	Gross sales price: Amount	Cost or other basis and expenses of sale: Number of transactions	Cost or other basis and expenses of sale: Amount	Gross gain: Number of transactions	Gross gain: Amount	Gross loss: Number of transactions[1]	Gross loss: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All Other Livestock, Except Poultry, Including Certain Livestock Used in Trade or Business (Section 1231)														
All returns, total	377,878	5,662,763	6,373,537	1,310,417	1,146,148	708,968	670,943	2,981,518	279,408	686,527	591,329	2,338,773	117,840	62,490
No adjusted gross income	53,670	-1,319,080	—	*72	9,583	113,510	111,755	557,372	42,156	130,972	102,416	446,156	11,064	9,712
Under $10,000	111,437	512,669	487,766	*3,088	*187	219,401	209,618	436,556	79,602	99,272	162,873	382,241	36,528	20,123
$10,000 under $15,000	52,296	641,751	600,552	41,322	23,392	92,022	81,110	181,079	40,999	42,239	73,809	150,144	18,413	7,829
$15,000 under $20,000	52,017	899,464	861,958	95,006	69,395	70,801	69,018	164,987	23,787	18,645	51,480	149,955	*9,312	*3,482
$20,000 under $30,000	45,915	1,110,633	1,044,729	142,598	107,702	66,927	66,925	317,119	*34,445	*26,076	64,706	296,460	*22,222	*5,223
$30,000 under $50,000	45,959	1,749,136	1,646,331	317,563	205,265	75,227	69,064	973,704	27,305	300,327	64,572	682,645	10,655	4,086
$50,000 under $100,000	11,306	757,854	697,834	198,043	175,434	42,067	36,496	100,501	26,407	21,017	35,592	87,488	6,495	5,664
$100,000 under $200,000	3,844	530,382	427,569	174,006	167,565	5,536	4,939	89,218	2,832	15,755	3,815	78,086	1,723	1,871
$200,000 under $500,000	1,069	322,068	257,944	131,140	129,856	2,513	2,173	128,141	1,308	17,301	1,712	114,077	801	1,677
$500,000 or more	363	457,647	328,835	197,579	197,760	942	846	30,842	565	15,923	545	21,541	397	2,806
Taxable returns, total	177,967	5,790,289	5,306,377	1,257,471	1,146,148	340,414	320,869	1,893,799	148,704	469,816	278,493	1,479,522	61,821	29,086
No adjusted gross income	2,254	-61,816	—	*72	9,583	7,967	7,657	64,663	2,114	19,708	7,596	54,406	**73	1,048
Under $10,000	*2,856	*23,869	*23,881	*1,143	*187	*10,528	*10,528	*9,689	*4,777	*1,990	*10,527	*7,711	**	(2)
$10,000 under $15,000	30,292	389,958	385,654	29,131	23,392	57,218	52,786	137,253	26,674	33,649	46,481	109,240	*10,737	*3,271
$15,000 under $20,000	43,174	751,210	741,234	81,486	69,395	61,079	59,404	108,877	*23,580	*18,202	51,957	94,111	*9,122	*3,435
$20,000 under $30,000	37,116	867,213	863,565	129,095	107,702	76,128	76,128	256,613	*34,443	*26,069	55,908	235,964	*22,220	*5,216
$30,000 under $50,000	45,763	1,740,885	1,641,923	316,912	205,265	75,031	67,868	969,036	27,305	300,327	64,376	676,979	10,655	4,085
$50,000 under $100,000	11,298	757,298	697,418	197,912	175,434	42,073	36,463	100,493	26,406	21,016	35,580	87,480	6,493	5,683
$100,000 under $200,000	3,763	529,551	427,546	173,996	167,565	5,236	4,937	89,176	2,532	15,632	3,813	78,026	1,423	1,867
$200,000 under $500,000	1,069	322,066	257,944	131,140	129,856	2,513	2,173	128,141	1,308	17,301	1,712	114,077	801	1,677
$500,000 or more	362	456,024	327,212	196,582	197,769	941	845	30,839	565	15,923	544	21,539	397	2,805
Qualified Gains on Livestock, Except Poultry, Used in Trade or Business (Section 1251)														
All returns, total	14,639	412,671	429,353	124,372	126,672	16,398	16,364	479,918	14,364	71,844	16,200	424,398	148	(2)
No adjusted gross income	719	-98,654	—	—	*1,786	1,058	1,058	21,097	926	7,430	914	16,533	144	(2)
Under $10,000	*4,937	*47,136	*47,098	*1,536	*878	*4,939	*4,939	*11,625	*4,939	*7,616	*4,930	*11,588	—	—
$10,000 under $15,000	*1,261	*14,352	*14,343	*1,198	*1,160	*1,277	*1,277	*587	*1,245	*66	*1,277	*587	—	—
$15,000 under $20,000	*478	*8,481	*8,481	*955	*928	*478	*478	*6,614	*478	*4,732	*478	*1,949	—	—
$20,000 under $30,000	*6,002	*170,559	*163,759	*25,196	*26,333	*6,002	*6,002	*393,180	*5,474	*29,523	*6,002	*363,657	—	—
$30,000 under $50,000	*65	*3,123	*2,005	*468	*461	*89	*89	*852	*8	*98	*89	*783	—	—
$50,000 under $100,000	*88	*7,713	*6,824	*2,352	*2,086	*160	*160	*1,701	*75	*146	*160	*1,559	—	—
$100,000 under $200,000	893	115,390	90,691	36,275	34,197	1,375	1,373	28,423	991	15,323	1,373	15,392	**	(2)
$200,000 under $500,000	124	35,342	26,620	13,614	14,536	698	698	12,072	119	4,426	698	9,372	—	—
$500,000 or more	72	109,228	69,532	42,780	44,227	280	280	13,766	109	2,477	278	12,978	**	(2)
Taxable returns, total	13,501	409,673	424,972	124,186	126,672	14,903	14,901	451,329	12,996	63,727	14,899	411,645	4	(2)
No adjusted gross income	*68	*-11,399	—	—	*1,786	*94	*94	*7,931	*47	*1,429	*94	*7,129	—	—
Under $10,000	*4,935	*47,130	*47,098	*1,535	*878	*4,935	*4,936	*11,613	*4,935	*7,613	*4,935	*11,579	—	—
$10,000 under $15,000	*1,261	*14,352	*14,343	*1,198	*1,160	*1,277	*1,277	*587	*1,245	*66	*1,277	*587	—	—
$15,000 under $20,000	*478	*8,481	*8,481	*956	*928	*478	*478	*6,614	*478	*4,732	*478	*1,949	—	—
$20,000 under $30,000	*5,518	*160,584	*159,378	*25,010	*26,333	*5,518	*5,518	*367,830	*4,900	*17,465	*5,518	*350,365	—	—
$30,000 under $50,000	*65	*3,123	*2,005	*468	*461	*89	*89	*852	*8	*98	*89	*783	—	—
$50,000 under $100,000	*88	*7,713	*6,824	*2,352	*2,086	*160	*160	*1,701	*75	*146	*160	*1,559	—	—
$100,000 under $200,000	893	115,390	90,691	36,275	34,197	1,375	1,373	28,423	991	15,323	1,373	15,392	**	(2)
$200,000 under $500,000	123	35,068	26,620	13,614	14,536	697	697	12,010	118	4,376	697	9,324	—	—
$500,000 or more	72	109,228	69,532	42,780	44,227	280	280	13,766	109	2,477	278	12,978	**	(2)

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions: Gross sales price: Number of transactions	Gross sales price: Amount	Cost or other basis and expense of sale: Number of transactions	Cost or other basis and expense of sale: Amount	Gross gain: Number of transactions	Gross gain: Amount	Gross loss: Number of transactions[1]	Gross loss: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Cut Timber (Section 1231)														
All returns, total	976	128,169	97,172	49,185	51,015	1,045	1,045	43,579	247	5,739	1,004	38,663	*41	*347
No adjusted gross income	*66	*−19,434	—	—	*280	*93	*93	*9,535	*86	*5,249	*52	*5,093	*41	*347
Under $10,000	**	**	—	—	*54	**	**	**	—	—	**	**	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	*119	*3,380	—	—	—	**119	**119	**347	*117	*136	*119	*211	—	—
$30,000 under $50,000	*514	*16,563	*16,563	*3,076	*3,038	*514	*514	*45	—	—	*514	*45	—	—
$50,000 under $100,000	*57	*4,151	*3,012	*863	*720	*57	*57	*375	—	—	*57	*375	—	—
$100,000 under $200,000	*79	*12,564	*9,018	*3,872	*3,566	*79	*79	*2,230	—	—	*79	*2,239	—	—
$200,000 under $500,000	*101	*36,863	*29,737	*17,807	*16,729	*101	*101	*4,073	*31	*46	*101	*4,026	—	—
$500,000 or more	40	74,084	38,852	23,567	26,597	82	82	26,974	13	*309	82	26,665	—	—
Taxable returns, total	798	141,030	97,172	49,185	51,015	848	848	35,551	56	545	848	35,823	—	—
No adjusted gross income	*5	*−3,199	—	—	*280	*13	*13	*1,800	*12	*190	*13	*1,619	—	—
Under $10,000	**	**	—	—	*54	**	**	*54	—	—	**	**	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	**516	**16,567	*16,563	*3,076	*3,038	**516	**516	*45	—	—	**516	**90	—	—
$50,000 under $100,000	*57	*4,151	*3,012	*863	*720	*57	*57	*375	—	—	*57	*375	—	—
$100,000 under $200,000	*79	*12,564	*9,018	*3,872	*3,566	*79	*79	*2,230	—	—	*79	*2,239	—	—
$200,000 under $500,000	*101	*36,863	*29,737	*17,807	*16,729	*101	*101	*4,073	*31	*46	*101	*4,026	—	—
$500,000 or more	40	74,084	38,852	23,567	26,597	82	82	26,974	13	*309	82	26,665	—	—
Standing Timber														
All returns, total	63,048	2,085,075	1,886,316	544,067	534,978	67,373	66,951	689,299	27,975	100,652	66,520	591,579	853	1,932
No adjusted gross income	2,937	−148,154	—	—	*798	3,318	3,318	47,191	135	6,845	3,302	40,346	16	(2)
Under $10,000	15,456	103,336	*102,305	*2,494	*2,035	15,458	15,458	40,121	7,556	*10,385	15,458	29,736	—	—
$10,000 under $15,000	*6,425	*91,280	*87,634	*12,277	*12,099	*6,425	*6,425	*38,001	*6,383	*23,310	*6,425	*15,691	—	—
$15,000 under $20,000	*6,620	*122,400	*121,851	*14,314	*11,003	*7,738	*7,738	*16,856	—	—	*7,738	*16,856	—	—
$20,000 under $30,000	**14,812	*373,140	*354,350	*54,225	*52,877	*14,812	*14,812	*217,479	*9,690	*35,369	*14,812	*182,109	—	—
$30,000 under $50,000	6,017	216,416	180,492	36,450	34,215	6,019	6,019	51,979	*321	*5,215	5,713	46,763	**307	**3
$50,000 under $100,000	7,774	562,573	477,171	143,967	138,686	8,088	8,088	120,838	*325	*222	8,087	120,619	**	**
$100,000 under $200,000	1,767	239,249	188,446	75,730	76,653	3,719	3,409	124,854	2,698	15,952	3,312	110,715	*407	*1,813
$200,000 under $500,000	1,100	332,809	244,727	126,725	129,531	1,570	1,458	25,911	787	1,921	1,457	24,094	*113	*105
$500,000 or more	140	192,027	129,339	77,885	77,102	226	226	6,071	80	1,433	216	4,640	*10	*11
Taxable returns, total	58,778	2,207,638	1,876,995	543,893	534,978	62,751	62,329	643,097	27,870	97,019	61,915	547,986	836	1,929
No adjusted gross income	*10	*−4,677	—	—	*798	*42	*42	*7,020	*32	*3,250	*42	*3,760	—	—
Under $10,000	*14,169	*93,472	*93,466	*2,345	*2,035	*14,169	*14,169	*33,244	*7,556	*10,385	*14,169	*22,859	—	—
$10,000 under $15,000	*6,383	*90,747	*87,322	*12,269	*12,099	*6,383	*6,383	*38,884	*6,383	*23,310	*6,383	*15,574	—	—
$15,000 under $20,000	*6,620	*122,400	*121,851	*14,314	*11,003	*7,738	*7,738	*16,856	—	—	*7,738	*16,856	—	—
$20,000 under $30,000	*14,812	*373,140	*354,350	*54,225	*52,877	*14,812	*14,812	*217,479	*9,690	*35,369	*14,812	*182,109	—	—
$30,000 under $50,000	6,004	215,985	180,331	36,433	34,215	6,006	6,006	51,976	321	*5,215	5,700	46,761	306	(2)
$50,000 under $100,000	7,773	552,487	477,163	143,967	138,686	8,086	8,086	120,802	*323	*184	8,086	120,618	—	—
$100,000 under $200,000	1,767	239,249	188,446	75,730	76,653	3,719	3,409	124,854	2,698	15,952	3,312	110,715	*407	*1,813
$200,000 under $500,000	1,100	332,809	244,727	126,725	129,531	1,570	1,458	25,911	787	1,921	1,457	24,094	*113	*105
$500,000 or more	140	192,027	129,339	77,885	77,102	226	226	6,071	80	1,433	216	4,640	*10	*11

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions: Gross sales price: Number of transactions	Gross sales price: Amount	Cost or other basis and expense of sale: Number of transactions	Cost or other basis and expense of sale: Amount	Gross gain: Number of transactions	Gross gain: Amount	Gross loss: Number of transactions¹	Gross loss: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Other Farm Land With Unharvested Crop (Section 1231)														
All returns, total	5,414	76,627	148,497	55,911	75,237	5,672	5,625	619,157	4,183	194,447	5,360	469,120	312	16,990
No adjusted gross income	2,747	–101,767	—	—	*14,013	2,810	2,808	453,328	2,805	158,413	2,604	328,540	*206	*16,606
Under $10,000	*1,128	*781	*781	—	—	*1,128	*1,128	*226	—	—	*1,128	*226	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	*8	*123	—	—	*20	*8	*8	*558	*8	*486	*8	*37	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $100,000	*931	*54,981	*51,965	*13,991	*16,695	*931	*931	*101,932	*931	*15,634	*931	*92,922	—	—
$100,000 under $200,000	459	60,946	46,088	16,222	19,779	606	606	36,244	265	*9,346	556	29,391	52	(2)
$200,000 under $500,000	108	32,942	27,019	12,678	11,980	144	104	13,460	137	5,650	101	*8,659	*43	*186
$500,000 or more	33	28,622	22,645	13,019	12,742	43	38	13,409	37	4,917	32	9,344	*11	*198
Taxable returns, total	3,602	150,274	147,716	55,911	75,237	3,807	3,762	515,797	3,451	126,910	3,695	413,152	112	468
No adjusted gross income	*2,063	*–27,340	—	—	*14,013	*2,073	*2,073	*350,193	*2,073	*90,877	*2,067	*272,798	*6	*84
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	*8	*123	—	—	*20	*8	*8	*558	*8	*486	*8	*37	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $100,000	*931	*54,981	*51,965	*13,991	*16,695	*931	*931	*101,932	*931	*15,634	*931	*92,922	—	—
$100,000 under $200,000	459	60,946	46,088	16,222	19,779	606	606	36,244	265	*9,346	556	29,391	52	(2)
$200,000 under $500,000	108	32,942	27,019	12,678	11,980	144	104	13,460	137	5,650	101	*8,659	43	*186
$500,000 or more	33	28,622	22,645	13,019	12,742	43	38	13,409	37	4,917	32	9,344	11	*198
Qualified Gains on Farm Land With Unharvested Crop (Section 1251)														
All returns, total	456	88,372	58,126	31,456	31,573	515	471	32,729	151	4,391	471	28,748	44	(2)
No adjusted gross income	*78	*–14,824	—	—	*194	*88	*48	*1,247	*41	*1,030	*48	*407	*40	(2)
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	*24	*374	*374	*24	—	*48	*48	*185	*48	*113	*48	*85	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $100,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$100,000 under $200,000	*276	*31,665	*15,455	*6,168	*6,233	*276	*276	*3,742	*3	*233	*276	*3,517	—	—
$200,000 under $500,000	*58	*23,325	*11,948	*7,069	*7,398	*61	*61	*9,972	*24	*1,335	*61	*8,661	—	—
$500,000 or more	20	47,832	30,349	18,194	17,748	42	38	17,583	35	1,679	38	16,078	4	(2)
Taxable returns, total	358	98,617	57,752	31,432	31,573	391	387	31,604	69	3,424	387	28,559	4	(2)
No adjusted gross income	*4	*–4,205	—	—	*194	*12	*12	*307	*7	*176	*12	*303	—	—
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$50,000 under $100,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$100,000 under $200,000	*276	*31,665	*15,455	*6,168	*6,233	*276	*276	*3,742	*3	*233	*276	*3,517	—	—
$200,000 under $500,000	*58	*23,325	*11,948	*7,069	*7,398	*61	*61	*9,972	*24	*1,335	*61	*8,661	—	—
$500,000 or more	20	47,832	30,349	18,194	17,748	42	38	17,583	35	1,679	38	16,078	4	(2)

Footnotes at end of table.

Table 1. — All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions[1]	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All Other Farm Land (Section 1252)														
All returns, total	**6,184**	**156,842**	***155,556**	**30,547**	**30,524**	**6,210**	**6,210**	**632,478**	**6,173**	**365,206**	**6,174**	**308,781**	***36**	**(2)**
No adjusted gross income	*232	*-13,627	—	—	*998	*234	*234	*111,824	*232	*37,494	*234	*72,991	—	—
Under $10,000	**	**	*15	*	*	**	**	**	**	**	**	**	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	**4,579	**85,302	*85,283	*13,296	*13,131	**4,579	**4,579	**338,759	**4,579	**256,723	**4,579	**114,121	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	*1,241	*55,995	*52,115	*8,519	*8,414	*1,241	*1,241	*155,125	*1,241	*55,479	*1,241	*109,999	—	—
$50,000 under $100,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$100,000 under $200,000	*36	*4,231	*3,482	*1,400	*1,311	*36	*36	*8,064	*36	*8,472	—	—	*36	(2)
$200,000 under $500,000	*93	*21,351	*11,126	*4,949	*4,322	*108	*108	*7,675	*73	*5,181	*108	*2,385	—	—
$500,000 or more	*3	*3,589	*3,535	*2,382	*2,348	*12	*12	*11,031	*12	*1,857	*12	*9,285	—	—
Taxable returns, total	**6,173**	**188,379**	***155,556**	**30,547**	**30,524**	**6,197**	**6,197**	**626,280**	**6,162**	**362,713**	**6,161**	**307,025**	***36**	**(2)**
No adjusted gross income	*221	*-2,089	—	—	*998	*221	*221	*107,625	*221	*35,001	*221	*71,235	—	—
Under $10,000	**	*19	*15	*	*	*	**	*	**	**	**	**	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	**4,579	*85,283	*85,283	*13,296	*13,131	**4,579	**4,579	*338,759	*4,579	**256,723	**4,579	**114,121	—	—
$20,000 under $30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$30,000 under $50,000	*1,241	*55,995	*52,115	*8,519	*8,414	*1,241	*1,241	*155,125	*1,241	*55,479	*1,241	*109,999	—	—
$50,000 under $100,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$100,000 under $200,000	*36	*4,231	*3,482	*1,400	*1,311	*36	*36	*8,064	*36	*8,472	—	—	*36	(2)
$200,000 under $500,000	*93	*21,351	*11,126	*4,949	*4,322	*108	*108	*7,675	*73	*5,181	*108	*2,385	—	—
$500,000 or more	*3	*3,589	*3,535	*2,382	*2,348	*12	*12	*11,031	*12	*1,857	*12	*9,285	—	—
Oil and Gas Properties (Section 1254)														
All returns, total	**1,284**	**378,382**	**309,528**	**162,205**	**148,444**	**2,369**	**2,369**	**298,986**	**1,078**	**32,506**	**2,369**	**272,230**	**—**	**—**
No adjusted gross income	45	-53,789	—	*8	772	94	94	25,234	73	8,077	94	18,361	—	—
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	*125	*1,559	*1,057	*36	*313	*125	*125	*17,372	—	—	*125	*17,372	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	*77	*2,084	*321	*40	*565	*93	*93	*2,210	*8	*34	*93	*2,187	—	—
$30,000 under $50,000	*82	*3,704	*1,787	*272	*1,250	*139	*139	*1,977	**	*25	*139	*1,955	—	—
$50,000 under $100,000	*101	*5,079	*4,329	*890	*951	*101	*101	*1,256	*101	*822	*101	*1,225	—	—
$100,000 under $200,000	*420	*61,566	*50,306	*21,351	*20,760	*1,018	*1,018	*33,632	*301	*4,032	*1,018	*30,245	—	—
$200,000 under $500,000	296	91,422	58,338	27,598	30,068	548	548	33,121	417	4,356	548	29,730	—	—
$500,000 or more	138	266,758	193,390	112,011	93,746	251	251	184,184	178	15,161	251	171,155	—	—
Taxable returns, total	**1,261**	**424,613**	**309,206**	**162,015**	**148,444**	**2,317**	**2,317**	**282,576**	**1,039**	**25,782**	**2,317**	**251,851**	**—**	**—**
No adjusted gross income	23	-7,201	—	*8	772	43	43	8,827	35	1,352	43	7,985	—	—
Under $10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	*125	*1,559	*1,057	*36	*313	*125	*125	*17,372	—	—	*125	*17,372	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $30,000	*77	*2,084	*321	*40	*565	*93	*93	*2,210	*8	*34	*93	*2,187	—	—
$30,000 under $50,000	*82	*3,704	*1,787	*272	*1,250	*139	*139	*1,977	**	*25	*139	*1,955	—	—
$50,000 under $100,000	*101	*5,079	*4,329	*890	*951	*101	*101	*1,256	*101	*822	*101	*1,225	—	—
$100,000 under $200,000	*420	*61,566	*50,386	*21,351	*20,760	*1,018	*1,018	*33,632	*301	*4,032	*1,018	*30,245	—	—
$200,000 under $500,000	295	91,065	58,016	27,407	30,086	547	547	33,118	416	4,357	547	29,726	—	—
$500,000 or more	138	266,758	193,390	112,011	93,746	251	251	184,184	178	15,161	251	171,155	—	—

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1. — All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions[1]	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Personal Residences														
All returns, total	**1,009,772**	**34,317,739**	**27,848,055**	**6,034,233**	**5,842,853**	**1,040,256**	**1,032,701**	**82,165,193**	**1,031,487**	**50,982,199**	**1,030,353**	**31,112,803**	***9,902**	***1,619**
No adjusted gross income	6,943	-400,362	—	*387	5,685	6,951	6,950	650,909	6,893	445,414	6,950	205,918	**	**
Under $10,000	99,499	562,493	474,211	11,112	11,702	100,766	100,766	5,130,004	100,766	3,604,362	100,766	1,525,170	—	—
$10,000 under $15,000	74,753	933,276	739,700	63,903	54,755	74,753	69,550	4,597,844	69,550	2,389,328	69,550	2,211,834	5,203	(2)
$15,000 under $20,000	117,337	2,061,055	1,672,351	168,061	161,916	123,663	123,683	8,207,792	123,683	5,087,840	123,683	3,153,283	—	—
$20,000 under $30,000	232,494	5,784,490	4,940,677	678,981	646,704	239,150	239,150	15,125,271	237,999	10,320,065	236,804	4,750,839	**2,346	**1,619
$30,000 under $50,000	327,894	12,661,552	10,200,577	1,913,642	1,844,241	339,449	339,168	28,874,108	339,168	17,762,533	339,168	11,031,188	281	(2)
$50,000 under $100,000	123,112	7,939,286	6,161,340	1,625,539	1,568,046	127,063	125,001	13,869,623	125,001	8,307,679	125,001	5,559,336	2,052	(2)
$100,000 under $200,000	22,864	2,975,294	2,271,962	877,220	853,092	23,493	23,493	4,169,601	23,493	2,318,436	23,493	1,865,537	—	—
$200,000 under $500,000	4,207	1,171,668	905,636	425,587	429,283	4,269	4,253	1,260,476	4,253	613,170	4,253	643,661	16	(2)
$500,000 or more	669	628,983	481,598	269,821	267,429	669	667	279,568	661	133,554	665	145,636	4	(2)
Taxable returns, total	**897,779**	**33,595,301**	**27,326,099**	**6,014,191**	**5,842,853**	**928,714**	**919,159**	**73,845,741**	**917,946**	**44,943,715**	**916,811**	**28,826,764**	***9,962**	***1,619**
No adjusted gross income	489	-40,685	—	*387	5,685	495	494	58,959	438	24,678	494	34,336	**	**
Under $10,000	31,046	213,870	202,747	8,734	11,702	32,282	32,282	1,319,169	32,282	868,281	32,282	443,841	—	—
$10,000 under $15,000	57,968	720,784	630,635	56,593	54,755	57,968	52,765	3,662,208	52,765	1,731,795	52,765	1,936,580	5,203	(2)
$15,000 under $20,000	110,733	1,936,477	1,634,953	167,478	161,916	117,079	117,079	7,573,168	117,079	4,720,901	117,079	2,864,675	—	—
$20,000 under $30,000	226,121	5,632,744	4,856,981	670,155	646,704	232,777	232,777	14,350,449	231,626	9,811,123	230,431	4,484,979	**2,346	**1,619
$30,000 under $50,000	320,669	12,425,379	10,182,368	1,913,140	1,844,241	330,728	330,447	27,325,957	330,447	16,427,574	330,447	10,817,997	281	(2)
$50,000 under $100,000	122,999	7,932,133	6,160,105	1,625,479	1,568,046	126,940	124,888	13,847,176	124,888	8,294,883	124,888	5,549,626	2,052	(2)
$100,000 under $200,000	22,864	2,975,294	2,271,962	877,220	853,092	23,493	23,493	4,169,601	23,493	2,318,436	23,493	1,865,537	—	—
$200,000 under $500,000	4,201	1,170,322	904,750	425,185	429,283	4,263	4,247	1,259,487	4,247	612,469	4,247	643,555	16	(2)
$500,000 or more	669	628,983	481,598	269,821	267,429	669	687	279,568	661	133,554	665	145,636	4	(2)
Nonbusiness Real Property, Except Personal Residences														
All returns, total	**725,029**	**27,643,940**	**23,927,352**	**6,777,040**	**6,784,697**	**855,934**	**804,536**	**38,852,756**	**773,870**	**20,926,332**	**727,974**	**18,476,517**	**127,980**	**290,762**
No adjusted gross income	30,956	-1,662,001	—	*27	38,632	44,397	42,969	3,714,002	40,121	2,167,890	36,402	1,601,760	7,995	23,962
Under $10,000	81,129	435,873	355,579	9,563	9,557	86,874	86,874	1,563,363	82,932	960,005	80,669	621,166	*8,205	*28,416
$10,000 under $15,000	77,649	942,549	847,148	68,549	77,627	80,023	73,798	2,011,398	71,647	1,136,439	70,750	947,977	*9,273	*8,129
$15,000 under $20,000	70,131	1,250,293	1,089,657	123,330	131,464	81,118	79,682	1,666,906	78,073	1,046,046	75,924	665,539	*5,194	*15,819
$20,000 under $30,000	133,176	3,261,056	2,874,828	442,652	428,978	149,226	136,064	3,882,574	135,234	2,503,142	121,726	1,357,739	27,502	40,867
$30,000 under $50,000	174,415	6,876,382	5,866,824	1,214,399	1,187,259	212,605	190,723	8,441,762	180,856	4,249,913	162,040	4,216,685	50,565	56,439
$50,000 under $100,000	115,944	7,605,324	6,202,784	1,754,614	1,723,164	142,872	137,945	10,009,063	133,434	5,826,095	126,685	4,487,599	14,167	72,158
$100,000 under $200,000	30,329	3,923,537	3,000,496	1,176,961	1,175,727	41,783	39,928	4,389,837	38,210	1,833,228	38,300	2,575,784	3,483	24,569
$200,000 under $500,000	9,209	2,614,426	1,973,543	980,972	994,870	12,015	11,615	2,112,029	10,655	808,670	10,786	1,302,856	1,229	9,040
$500,000 or more	2,091	2,396,498	1,716,491	1,005,934	1,017,418	3,019	2,940	1,061,821	2,708	374,905	2,692	699,411	327	3,373
Taxable returns, total	**636,265**	**28,610,902**	**23,637,146**	**6,768,652**	**6,784,697**	**749,348**	**701,918**	**34,528,301**	**681,237**	**18,094,126**	**637,407**	**16,902,444**	**111,941**	**231,565**
No adjusted gross income	1,871	-165,232	—	*27	38,632	2,548	2,497	663,545	2,284	216,553	2,469	454,343	79	1,469
Under $10,000	33,916	186,624	182,522	8,150	9,557	39,503	39,503	816,001	39,503	469,472	34,874	347,514	*4,629	*9,694
$10,000 under $15,000	73,024	885,748	820,241	68,308	77,627	74,935	68,710	1,865,146	66,559	1,021,174	66,483	906,175	*6,452	*656
$15,000 under $20,000	66,900	1,190,807	1,052,251	121,012	131,464	77,887	76,451	1,577,854	74,842	960,025	73,482	651,730	*4,405	*14,042
$20,000 under $30,000	131,117	3,214,425	2,852,569	441,105	428,978	146,172	133,125	3,631,488	133,398	2,326,793	118,787	1,279,031	27,386	40,867
$30,000 under $50,000	172,706	6,821,005	5,849,609	1,213,483	1,187,259	209,589	190,179	8,429,824	180,593	4,239,169	161,889	4,215,284	47,900	56,225
$50,000 under $100,000	115,160	7,554,404	6,191,570	1,753,533	1,723,164	142,088	137,161	9,996,814	132,650	5,818,700	128,036	4,482,192	14,052	71,578
$100,000 under $200,000	30,285	3,916,129	2,999,565	1,176,630	1,175,727	41,609	39,754	4,374,036	38,062	1,828,790	38,126	2,565,064	3,483	24,559
$200,000 under $500,000	9,195	2,610,495	1,972,328	980,470	994,870	11,998	11,598	2,109,772	10,638	807,545	10,769	1,301,700	1,229	9,040
$500,000 or more	2,091	2,396,498	1,716,491	1,005,934	1,017,418	3,019	2,940	1,061,821	2,708	374,905	2,692	699,411	327	3,373

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions[1]	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Prior-Year Installment Sales														
All returns, total	**1,421,364**	**52,355,566**	**44,418,111**	**12,402,253**	**12,264,561**	**2,140,182**	**1,029,976**	**83,764,465**	**929,301**	**29,635,920**	**2,029,870**	**9,913,982**	**110,512**	**357**
No adjusted gross income	28,691	-1,786,382	—	*124	42,595	46,703	20,364	3,884,057	18,313	1,217,309	43,738	603,978	2,965	30
Under $10,000	238,824	1,570,186	1,413,773	45,306	42,241	322,229	150,925	4,815,244	142,686	2,065,666	308,194	470,006	14,035	(2)
$10,000 under $15,000	164,954	2,022,427	1,757,803	146,266	150,825	221,866	93,640	4,851,931	93,240	2,035,674	212,840	447,720	9,026	(2)
$15,000 under $20,000	151,580	2,664,935	2,369,837	263,553	255,629	192,938	81,123	5,191,501	68,599	3,037,532	171,726	489,028	21,212	(2)
$20,000 under $30,000	244,944	6,046,961	5,173,057	737,411	688,818	357,547	194,511	10,535,951	181,441	3,790,636	346,289	875,894	11,258	—
$30,000 under $50,000	311,484	11,761,373	10,188,723	2,091,237	2,030,598	477,064	205,691	15,756,928	159,193	5,784,339	451,815	1,171,347	25,249	—
$50,000 under $100,000	201,749	13,183,429	10,899,519	3,089,477	3,018,943	367,927	196,956	19,907,099	185,607	7,227,842	350,911	1,987,969	17,016	—
$100,000 under $200,000	56,563	7,[illegible]03,445	5,745,726	2,314,514	2,301,177	109,105	59,339	8,840,099	54,521	2,200,581	103,114	1,480,191	5,991	327
$200,000 under $500,000	18,973	5,[illegible]80,351	4,075,754	2,056,055	2,057,581	37,058	22,427	6,223,269	21,052	1,623,322	33,911	1,173,523	3,147	—
$500,000 or more	3,602	4,008,841	2,793,919	1,658,311	1,676,153	7,745	5,000	3,758,387	4,649	653,018	7,132	1,214,325	613	—
Taxable returns, total	**1,244,457**	**52,392,418**	**43,637,321**	**12,370,860**	**12,264,561**	**1,891,030**	**933,621**	**77,271,431**	**815,579**	**26,748,550**	**1,791,441**	**9,220,249**	**99,589**	**327**
No adjusted gross income	3,023	-274,057	—	*124	42,595	6,630	3,974	1,758,279	3,774	405,719	6,197	339,103	433	—
Under $10,000	132,929	1,026,362	965,778	43,132	42,241	169,159	92,504	3,051,258	84,977	1,110,200	162,477	214,238	6,682	(2)
$10,000 under $15,000	142,264	1,745,387	1,679,534	145,741	150,825	196,040	77,728	3,496,596	77,394	1,462,066	187,887	373,254	8,153	(2)
$15,000 under $20,000	147,267	2,581,716	2,318,257	258,225	255,629	187,278	81,109	5,190,143	68,587	3,036,433	166,066	481,352	21,212	(2)
$20,000 under $30,000	232,249	5,747,793	5,027,887	723,619	688,818	341,650	193,192	10,407,535	180,122	3,728,091	330,394	839,501	11,256	—
$30,000 under $50,000	307,084	11,586,512	10,157,665	2,085,992	2,030,598	472,601	202,302	14,995,182	155,804	5,406,008	447,385	1,158,301	25,216	—
$50,000 under $100,000	200,601	13,102,531	10,876,727	3,086,495	3,018,943	364,517	196,431	19,748,442	185,082	7,168,355	347,604	1,978,347	16,913	—
$100,000 under $200,000	56,475	7,490,354	5,744,010	2,314,181	2,301,177	108,367	58,965	8,658,123	54,147	2,156,653	102,403	1,449,464	5,964	327
$200,000 under $500,000	18,965	5,377,924	4,075,088	2,055,792	2,057,581	37,045	22,416	6,207,487	21,043	1,622,008	33,898	1,172,370	3,147	—
$500,000 or more	3,600	4,007,296	2,792,375	1,657,561	1,676,153	7,743	5,000	3,758,387	4,649	653,018	7,130	1,214,320	613	—
Other Types of Assets														
All returns, total	**1,449,447**	**66,317,263**	**55,349,877**	**17,109,380**	**16,884,350**	**3,878,639**	**2,886,792**	**27,531,670**	**3,042,731**	**22,804,081**	**1,877,811**	**11,409,423**	**2,000,828**	**6,367,585**
No adjusted gross income	57,384	-2,995,776	—	*640	61,459	125,490	104,797	2,316,405	88,004	1,715,862	81,050	1,128,830	44,440	442,490
Under $10,000	182,589	1,018,363	881,311	33,235	36,837	258,388	173,489	937,029	210,759	855,348	111,689	423,426	146,699	269,244
$10,000 under $15,000	128,908	1,632,170	1,451,772	119,734	116,996	335,217	275,348	1,572,187	271,620	1,105,052	182,815	744,369	152,402	187,370
$15,000 under $20,000	109,194	1,891,559	1,692,545	198,112	191,380	214,235	159,433	900,548	161,501	985,820	114,974	343,649	99,261	465,236
$20,000 under $30,000	207,483	5,191,765	4,482,984	722,908	696,665	488,516	369,713	1,683,698	367,020	1,239,082	239,252	892,656	249,264	454,225
$30,000 under $50,000	360,844	14,231,933	12,087,933	2,455,030	2,338,463	842,165	534,754	3,490,407	688,280	2,865,550	345,117	1,656,581	497,048	852,089
$50,000 under $100,000	292,095	19,392,917	15,769,123	4,540,420	4,384,591	1,121,932	867,379	6,018,044	889,844	4,801,154	530,288	2,244,649	591,646	1,139,811
$100,000 under $200,000	76,266	10,157,645	7,694,317	3,065,237	3,011,743	347,260	280,051	3,775,992	252,815	4,376,687	191,870	1,236,629	155,390	1,798,287
$200,000 under $500,000	28,012	8,055,248	5,886,127	2,891,727	2,896,220	108,459	90,434	3,056,834	84,039	2,152,383	60,642	1,262,306	47,817	354,662
$500,000 or more	6,672	7,741,438	5,403,765	3,162,337	3,149,994	36,977	31,394	3,780,527	28,849	2,707,144	20,116	1,476,327	16,861	404,171
Taxable returns, total	**1,271,624**	**67,625,489**	**54,717,894**	**17,143,774**	**16,884,350**	**3,561,776**	**2,639,887**	**24,874,571**	**2,809,924**	**20,655,428**	**1,683,669**	**10,144,490**	**1,878,107**	**5,787,740**
No adjusted gross income	6,001	-435,098	—	*640	61,459	15,673	12,171	811,240	12,546	503,152	8,783	426,348	6,890	101,123
Under $10,000	84,789	583,477	579,279	31,315	36,837	117,172	71,910	261,704	97,657	319,382	32,493	112,684	84,679	153,473
$10,000 under $15,000	118,285	1,498,322	1,379,205	118,677	116,996	323,163	264,233	1,290,666	266,191	965,043	173,548	546,134	149,615	185,251
$15,000 under $20,000	107,027	1,853,923	1,664,062	195,669	191,380	211,950	157,471	889,013	160,378	979,014	113,820	335,747	98,130	462,152
$20,000 under $30,000	204,816	5,130,518	4,463,795	721,816	696,665	481,344	365,691	1,646,391	361,915	1,190,886	236,980	887,388	244,364	434,915
$30,000 under $50,000	350,779	13,867,654	11,990,570	2,439,132	2,338,463	825,018	522,083	3,459,898	675,043	2,808,036	333,257	1,638,024	491,761	807,283
$50,000 under $100,000	289,313	19,222,709	15,664,353	4,519,885	4,384,591	1,095,189	844,565	5,941,223	870,893	4,705,403	512,222	2,224,941	582,967	1,101,180
$100,000 under $200,000	75,970	10,122,920	7,691,938	3,065,227	3,011,743	346,930	280,005	3,774,740	252,492	4,364,076	191,841	1,236,153	155,089	1,786,462
$200,000 under $500,000	27,980	8,045,730	5,883,855	2,890,719	2,896,220	108,384	90,382	3,026,911	83,977	2,121,153	60,619	1,280,770	47,785	351,879
$500,000 or more	6,664	7,735,334	5,400,837	3,160,695	3,149,994	36,953	31,376	3,772,785	28,832	2,699,282	20,106	1,476,300	16,847	404,023

*Estimate should be used with caution because of the small number of sample returns on which it is based.

**Identifies (a) size classes for which data were deleted because of the small number of sample returns on which they were based and (b) combined frequencies or amounts that include the data thus deleted from another size class.

[1] Frequency counts for breakeven transactions or transactions showing ordinary gain and no capital gain or loss have been tabulated with the losses.

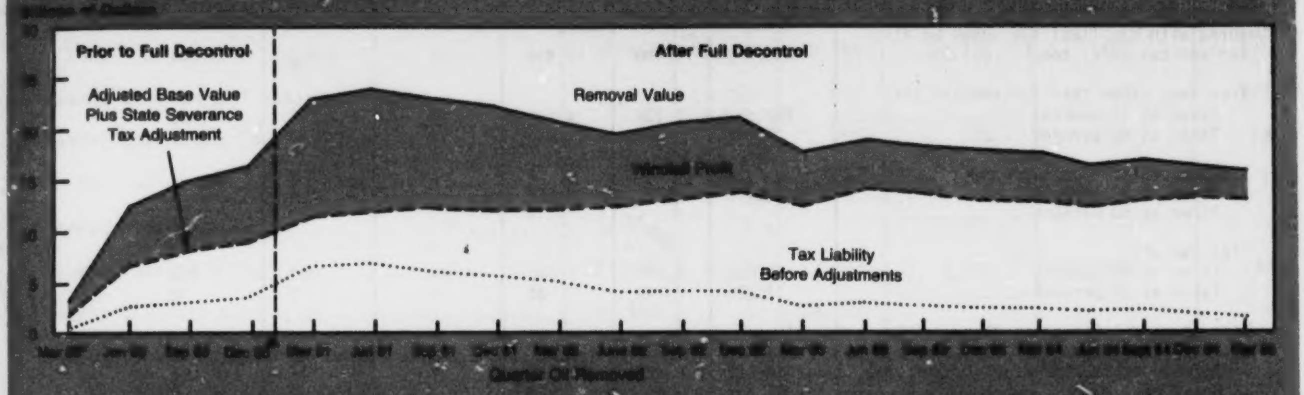
[2] Less than $500.

NOTE: Due to reporting of more than one asset type on most returns, the data in columns 1 through 6 for "All returns" will be less than the sum of these items for the specific asset types. The estimates of number of transactions with net loss for prior-year installment sales include breakeven transactions, those transactions which showed an ordinary gain but not a capital gain, and transactions which included neither a gain nor a loss. Detail may not add to total because of rounding.

Crude Oil Windfall Profit Tax, First Quarter 1985

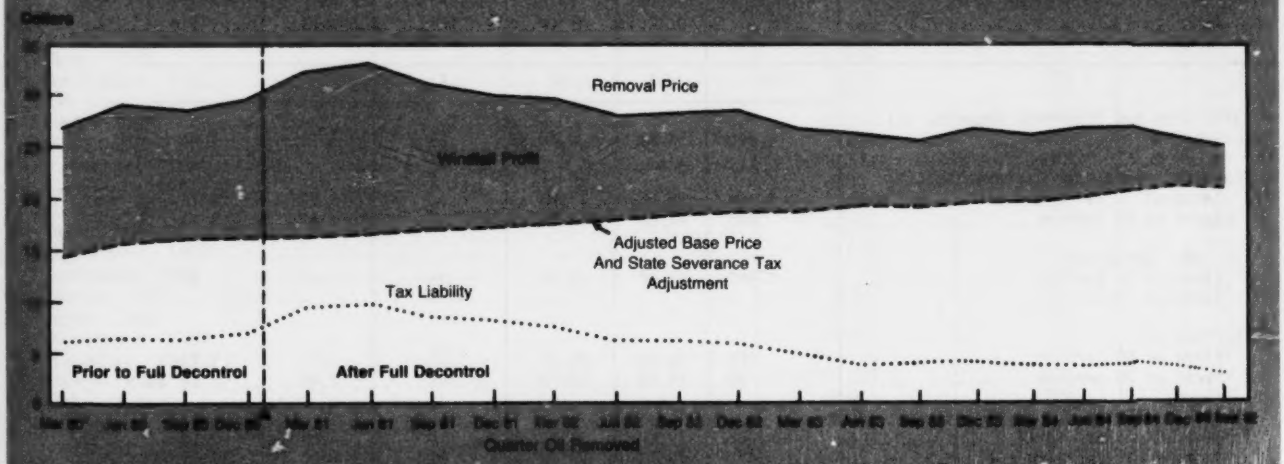
By Edward Chung*

Figure A
Components[1] of Windfall Profit Tax Liability Before Adjustments: Aggregate Values By Quarter Oil Removed



[1] Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.
[2] One month only.

Figure B
Components of Windfall Profit Tax Liability: Averages per Barrel by Quarter Oil Removed



NOTE: Because of price controls during 1980, there were cases where the removal price was less than the adjusted base price and no Form 6047 was filed. The data in the figure are based on information reported.
[1] One month only.

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*Foreign Special Projects Section. Prepared under the direction of Michael Alexander, Chief.

Table 1.--Windfall Profit Tax Liability by Oil Tier, Tax Rate and Aggregate Components of Windfall Profit for Quarter Ending March 1985

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's)	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total	613,845	15,160	12,498	121	2,540	1,744
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	252,513	6,738	4,504	84	2,150	1,453
Taxed at 50 percent	22,911	593	411	12	169	86
Tier one, Sadlerochit oil:						
Taxed at 70 percent	88,478	1,546	1,547	5	-6	17
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	51,250	1,355	1,082	11	262	150
Taxed at 30 percent	2,684	40	34	-	5	6
Tier three oil (taxed at 30 percent):						
Newly discovered oil [1]	122,509	3,134	3,211	6	-83	15
Incremental tertiary oil	42,430	1,092	1,046	2	44	13
Heavy oil	31,059	661	662	-	-1	3
Returns with total tax liability only	-	-	-	-	-	106

[1] Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

NOTE: Detail may not add to total because of rounding.

Table 2.--Windfall Profit Tax Liability for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for the Quarter Ending March 1985[1]

Oil tier and tax rate	Average daily production (000's) (barrels)	Removal price	Adjusted base price	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total	6,820	24.69	20.36	.19	4.14	2.84
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	2,806	26.68	17.83	.33	8.52	5.75
Taxed at 50 percent	255	25.87	17.95	.51	7.41	3.75
Tier one, Sadlerochit oil:						
Taxed at 70 percent	983	17.47	17.48	.05	-.06	.19
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	569	26.44	21.11	.22	5.11	2.93
Taxed at 30 percent	30	14.92	12.73	.15	2.04	2.14
Tier three oil (taxed at 30 percent):						
Newly discovered oil [2]	1,361	25.57	26.20	.05	-.68	.12
Incremental tertiary oil	471	25.74	24.66	.05	1.03	.31
Heavy oil	345	21.28	21.31	.00	-.03	.09

[1] All amounts are average dollars per barrel.

[2] Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

NOTE: Detail may not add to total because of rounding.

Table 3.--Exempt Oil Volume by Tier and Category, Quarter Ending March 1985

[Thousands of barrels]

Exempt Oil	Total	Tier one	Tier two	Tier three		
				Newly discovered oil	Incremental tertiary oil	Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	81,404	17,393	43,761	18,458	1,195	596
Exempt governmental interest	16,996	13,252	716	1,909	665	454
Exempt charitable interest	969	445	295	130	87	12
Exempt Indian oil	833	384	181	213	54	1
Exempt Alaskan oil	12,212	131	-	12,081	-	-
Exempt royalty oil	11,227	3,180	3,403	4,124	390	130
Exempt stripper oil	39,167	-	39,167	-	-	-

NOTE: Detail may not add to total because of rounding.

Table 4.--Windfall Profit Tax Before and After Adjustments

[Millions of dollars]

Quarter ending	Tax before adjustments	Total adjustments	Tax after adjustments
	(1)	(2)	(3)
Total	$79,299	-$5,424	$73,875
March 1980[1]	788	-	788
June 1980	2,842	-21	2,821
September 1980	3,413	-88	3,325
December 1980	3,918	-927	2,991
March 1981	6,953	+242	7,195
June 1981	7,253	-107	7,146
September 1981	6,344	-251	6,093
December 1981	6,007	-497	5,510
March 1982	5,222	-221	5,001
June 1982	4,283	-295	3,988
September 1982	4,404	-445	3,959
December 1982	4,440	-634	3,806
March 1983	3,320	-193	3,127
June 1983	2,951	-203	2,748
September 1983	2,822	-300	2,522
December 1983	2,736	-465	2,271
March 1984	2,622	-228	2,394
June 1984	2,468	-218	2,250
September 1984	2,447	-200	2,247
December 1984	2,236	-256[2]	1,980[2]
March 1985	1,830	-117	1,713

[1] One month only.

[2] Revised.

Selected Statistical Series, 1970-1985

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NOTICE

The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

Table 1. — Individual Income Tax Returns: Selected Income and Tax Items for Selected Years, 1970-1984
[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	1970 (1)	1975 (2)	1980 (3)	1981 (4)	1983 (5)	1984 (Preliminary) (6)
Number of returns:						
All returns	74,279,831	82,229,332	93,902,469	95,396,123	96,321,310	99,604,775
Joint returns	42,376,365	44,140,085	45,243,211	45,697,648	46,363,787	47,731,750
Total gross income, amount	639,357,791	962,886,872	1,642,345,558	1,804,046,591	2,023,982,876	2,247,440,765
Salaries and wages:						
Number of returns	66,965,659	73,520,046	83,802,109	84,208,807	83,120,588	86,346,235
Amount	531,883,892	795,399,462	1,349,842,802	1,486,100,497	1,644,572,655	1,818,588,323
Interest received:						
Number of returns	32,630,355	40,378,240	49,019,575	49,656,550[1]	57,076,334	62,199,616
Amount	22,021,267	43,433,554	102,009,444	140,559,366[1]	153,805,163	173,855,732
Taxable pensions and annuities:						
Number of returns	3,249,558	5,088,937	7,373,704	8,157,475	10,120,721	11,572,923
Amount	7,878,808	20,886,871	43,339,736	51,886,406	69,813,961	80,003,021
Dividends:						
No. of returns before exclusion	12,452,227	13,370,427	14,640,139	16,482,018	17,620,109	18,564,113
Amount	17,018,148	23,270,182	43,567,241	48,161,460	50,411,519	51,309,681
No. of returns after exclusion	7,729,939	8,853,491	10,738,982	n.a.	13,326,556	14,154,993
Amount	15,806,924	21,892,126	r38,761,253	n.a.	48,556,703	49,396,478
Net capital gain less loss:						
Number of returns	7,962,663	7,574,823	8,929,474	9,484,987	9,542,529	10,753,964
Amount	9,006,683	14,071,893	29,659,600	30,818,535	48,895,719	52,064,469
Business net income (less loss):						
Number of returns	6,159,985	7,242,542	8,881,119	9,571,409	10,682,124	11,229,289
Amount	30,554,201	39,421,478	55,129,154	53,071,628	60,359,154	69,915,552
Total adjustments:						
Number of returns	6,370,552	9,024,255	13,148,919	14,078,211	34,837,711	37,191,980
Amount	7,665,251	15,101,999	28,614,061	31,442,288	81,393,011	89,702,665
Married couple who both work:						
Number of returns	N/A	N/A	N/A	N/A	22,557,433	24,320,469
Amount	N/A	N/A	N/A	N/A	19,762,365	22,602,083
Individual Retirement Arrangement:						
Number of returns	N/A	1,211,794	2,564,421	3,415,053	13,613,167	15,358,972
Amount	N/A	1,436,443	3,430,894	4,750,190	32,060,627	35,773,272
Self-Employed Retirement (Keogh):						
Number of returns	591,655	595,892	568,936	557,038	656,038	659,238
Amount	847,692	1,603,788	2,007,666	2,011,947	2,937,980	4,108,267
Adjusted gross income	631,692,540	947,784,873	1,613,731,497	1,772,604,303	1,942,589,865	2,157,738,100
Exemptions:						
Total number	204,126,402	212,202,596	227,925,098	231,222,374	234,390,944	241,493,051
Number, age 65 or over	8,904,331	9,937,208	11,847,168	13,118,926	14,819,860	15,824,479
Total amount	127,531,204	159,140,845	227,569,280	231,119,115	234,390,944	241,493,051
Total deductions:						
Number of returns	73,862,448	81,585,541	88,491,251	90,319,941	90,816,724	95,071,466
Amount	120,549,755	233,181,778	346,000,155	401,168,213	448,667,194[2]	497,701,988[2]
Total itemized deductions:						
Number of returns	35,430,047	26,074,061	28,950,282	31,571,246	35,230,292	38,223,010
Amount	88,178,487	122,260,601	218,028,139	256,448,021	309,633,773	356,427,100
Medical and dental expense	10,585,749	11,422,312	14,972,082	17,878,680	18,074,335	21,349,054
Taxes paid	32,014,673	44,141,289	69,404,275	79,698,519	99,750,645	115,917,237
Interest paid	23,929,477	38,885,282	91,187,006	108,718,281	134,691,655	155,203,539
Contributions	12,892,732	15,393,331	25,809,608	30,800,722	37,677,955	42,419,604
Taxable income:						
Number of returns	59,593,598	65,852,602	88,104,696	89,851,304	90,816,724	94,444,394
Amount	401,154,285	595,492,866	1,279,985,360	1,410,880,665	1,544,872,497	1,714,704,713
Income tax before credits:						
Number of returns	59,596,755	65,854,734	76,135,819	79,011,548	80,610,882	84,661,717
Amount	84,156,695[3]	132,452,044	256,294,315	293,590,035	279,841,890	310,963,054
Total tax credits	369,610	8,069,846	7,215,839	11,288,005	r8,190,737[4]	8,901,812[4]
General tax credit	N/A	5,020,477	N/A	3,382,711[5]	N/A	N/A
Investment credit	30,554	1,593,150	3,288,415	3,971,199	4,161,453	5,948,020
Foreign tax credit	169,623	381,985	1,341,645	1,233,564	617,749	579,321
Child care credit	N/A	N/A	956,439	1,147,907	2,051,462	2,665,426
Credit for the elderly	167,656	128,968	134,993	124,011	116,324	108,736
Residential energy credit	N/A	N/A	562,141	600,831	549,024	634,584
Earned income credit	N/A	252,141	451,366	452,482	314,499	286,691
Income tax after credits	83,787,323	124,382,197	249,078,475	282,302,029	r271,651,153	302,061,242
Additional tax for tax preferences	121,988	144,100	1,262,964	1,826,960	2,530,170[6]	1,908,651
Total income tax:						
Number of returns	59,317,371	61,490,737	73,906,244	76,724,724	78,016,323	81,850,383
Amount	83,909,311	124,526,297	250,341,440	284,128,989	274,181,323	303,969,892
Payment status:						
Returns with payment due	16,478,813	15,842,400	21,755,516	23,007,970	18,467,829	20,660,163
Returns with refund or credit due	55,273,385	63,825,188	69,868,451	70,028,741	74,993,969	76,275,924

See notes following Table 13.

Table 2. — Individual Income and Tax by State, 1984
[Money amounts are in thousands of dollars]

State	Number of returns	Number of exemptions[1]	Adjusted gross income (AGI)	Salaries and wages		Dividends after exclusion	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total[2]	99,752,249	239,616,963	2,134,035,012	85,071,114	1,781,778,658	14,128,770	51,039,143
Alabama	1,466,037	3,729,138	27,510,149	1,289,812	23,629,019	127,636	403,651
Alaska	235,342	541,176	6,521,339	209,237	5,935,380	55,035	61,434
Arizona	1,276,456	3,148,503	26,266,331	1,065,927	21,281,793	184,515	737,987
Arkansas	844,657	2,183,289	14,591,720	709,625	12,027,646	67,634	210,964
California	11,360,495	27,319,945	261,437,661	9,659,268	218,707,697	1,602,037	6,106,276
Colorado	1,410,396	3,252,922	31,260,319	1,216,918	26,693,694	208,977	635,461
Connecticut	1,539,588	3,408,010	39,026,841	1,324,526	32,524,805	311,475	1,335,259
Delaware	273,752	639,345	6,148,020	237,402	5,097,036	48,361	230,035
District of Columbia	316,428	648,554	7,142,767	273,781	5,550,460	44,738	268,233
Florida	4,905,553	11,594,614	101,264,658	3,914,520	72,842,092	857,128	4,558,531
Georgia	2,375,875	5,719,184	48,000,006	2,133,144	42,177,150	226,153	794,469
Hawaii	461,424	1,055,297	9,322,406	400,452	7,765,670	68,520	193,874
Idaho	368,546	990,884	6,577,681	304,436	5,480,486	44,599	123,598
Illinois	4,833,380	11,681,835	108,791,989	4,102,975	91,106,811	787,363	2,738,103
Indiana	2,237,755	5,525,994	45,223,206	1,906,784	38,501,781	255,626	723,368
Iowa	1,165,334	2,922,123	21,295,026	915,219	17,030,232	171,997	420,979
Kansas	1,010,998	2,496,801	21,020,130	834,098	17,088,564	140,992	415,424
Kentucky	1,342,328	3,354,595	24,936,186	1,136,154	20,881,422	126,511	453,931
Louisiana	1,644,979	4,229,245	33,071,191	1,449,850	28,111,751	151,982	529,954
Maine	488,025	1,155,368	8,698,656	418,654	7,084,108	65,093	249,268
Maryland	1,995,849	4,555,799	47,558,988	1,750,954	40,335,140	305,238	1,009,167
Massachusetts	2,722,247	5,953,060	61,671,995	2,356,725	51,139,848	464,420	1,702,087
Michigan	3,687,450	8,846,027	82,622,589	3,150,910	71,118,527	563,470	1,652,243
Minnesota	1,779,381	4,262,333	37,501,184	1,494,178	31,956,812	277,593	741,500
Mississippi	892,402	2,381,390	14,851,519	788,880	12,809,719	65,951	185,326
Missouri	2,053,771	4,983,834	41,834,149	1,718,416	34,660,520	267,990	1,003,425
Montana	339,743	842,948	5,758,469	270,198	4,626,452	51,468	133,706
Nebraska	674,745	1,671,184	12,147,832	543,807	10,069,618	93,451	241,259
Nevada	430,802	971,274	9,085,434	376,407	7,584,574	45,460	195,355
New Hampshire	462,335	1,052,678	9,988,865	405,530	8,344,754	70,454	265,783
New Jersey	3,675,451	8,555,020	89,340,546	3,201,037	75,690,379	689,227	2,269,956
New Mexico	571,773	1,455,538	10,432,983	493,780	8,834,702	64,001	203,293
New York	7,464,439	17,538,439	177,651,309	6,383,915	143,111,112	1,329,571	5,772,435
North Carolina	2,565,678	6,080,635	48,412,116	2,291,376	41,196,139	267,179	956,310
North Dakota	279,934	704,591	4,947,038	217,194	3,791,683	30,489	56,096
Ohio	4,446,458	10,681,804	93,270,160	3,794,796	79,290,060	631,406	2,035,990
Oklahoma	1,263,553	3,174,432	26,210,357	1,057,336	21,351,082	116,711	419,362
Oregon	1,109,872	2,687,189	21,581,695	908,679	17,488,438	160,883	487,132
Pennsylvania	4,982,979	11,698,481	101,855,139	4,171,500	83,578,761	803,045	2,690,682
Rhode Island	429,433	960,463	8,568,791	372,257	7,041,410	61,557	216,796
South Carolina	1,277,317	3,134,519	23,656,350	1,146,993	20,302,958	114,771	399,709
South Dakota	283,972	718,880	4,257,329	220,589	3,443,240	34,962	74,311
Tennessee	1,872,850	4,560,547	35,085,784	1,644,485	30,296,908	161,731	511,817
Texas	6,496,390	16,312,584	145,168,114	5,697,488	122,350,345	690,999	2,783,739
Utah	581,082	1,643,780	11,789,485	506,856	10,264,958	66,679	196,383
Vermont	225,343	523,894	4,126,972	192,524	3,353,959	39,506	150,819
Virginia	2,424,622	5,616,057	54,403,915	2,137,841	46,163,560	352,374	1,117,665
Washington	1,864,365	4,418,897	40,225,585	1,567,647	33,236,211	281,359	825,597
West Virginia	664,129	1,694,690	12,681,869	561,978	10,552,624	70,470	228,527
Wisconsin	1,999,972	4,789,147	39,810,558	1,693,936	33,752,634	298,598	861,136
Wyoming	207,546	521,993	4,372,968	178,774	3,777,118	26,153	92,381
Other areas[3]	469,018	1,028,034	5,058,643	271,346	10,746,816	85,232	368,357

Table 2. (Continued) — Individual Income and Tax by State, 1984
[Money amounts are in thousands of dollars]

State	Interest		Unemployment compensation in AGI		Itemized Deductions		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total Deductions	Average amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total[2]	61,764,997	176,077,712	4,433,578	5,941,097	38,803,369	357,953,970	9,225
Alabama............	734,673	1,690,765	74,868	67,077	554,890	4,225,055	7,614
Alaska.............	149,113	283,085	25,136	46,049	93,000	1,051,437	11,306
Arizona............	764,274	2,535,925	31,619	33,965	575,399	5,334,988	9,272
Arkansas...........	439,409	1,346,519	35,122	33,854	263,815	2,046,016	7,755
California.........	6,932,440	22,990,669	498,303	696,556	4,900,602	57,669,065	11,768
Colorado...........	917,793	2,415,561	49,442	67,974	660,809	6,583,216	9,962
Connecticut........	1,122,224	2,974,001	70,970	78,958	590,781	5,864,975	9,927
Delaware...........	166,224	388,021	13,203	16,701	112,369	992,000	8,828
District of Columbia	152,386	429,500	6,159	10,147	125,205	1,337,924	10,686
Florida............	2,877,667	12,514,788	86,162	107,238	1,645,345	15,198,557	9,237
Georgia............	1,154,971	2,835,725	90,495	68,200	847,039	7,810,394	9,221
Hawaii.............	336,810	722,525	19,483	30,925	189,399	1,852,314	9,780
Idaho..............	232,642	653,898	22,346	28,600	148,914	1,228,345	8,249
Illinois...........	3,238,496	9,664,419	239,861	397,697	1,880,875	16,186,085	8,606
Indiana............	1,396,756	3,519,319	104,306	102,314	754,052	5,731,069	7,600
Iowa...............	858,859	2,755,526	56,801	67,475	481,774	3,537,273	7,342
Kansas.............	666,179	2,090,323	39,208	45,791	405,123	3,379,652	8,342
Kentucky...........	729,630	1,950,357	73,897	76,275	490,420	3,624,231	7,390
Louisiana..........	833,107	2,369,123	85,416	145,280	535,576	4,615,720	8,618
Maine..............	306,169	623,087	20,541	20,920	144,804	1,098,377	7,585
Maryland...........	1,272,504	2,951,296	69,046	92,992	938,285	9,261,934	9,871
Massachusetts......	1,952,674	4,489,950	114,388	164,808	1,071,732	9,386,369	8,758
Michigan...........	2,475,017	5,619,090	270,855	375,626	1,737,787	14,488,031	8,337
Minnesota..........	1,292,880	3,214,151	84,973	134,641	889,916	8,111,663	9,115
Mississippi........	379,014	1,041,341	33,800	31,986	259,001	2,065,620	7,975
Missouri...........	1,294,489	3,866,987	85,183	71,027	730,339	5,754,817	7,880
Montana............	227,268	705,501	18,718	25,003	128,060	957,008	7,473
Nebraska...........	464,074	1,463,991	19,892	20,622	232,763	1,913,057	8,219
Nevada.............	231,857	780,392	21,331	27,165	152,867	1,494,879	9,779
New Hampshire......	315,819	684,510	17,650	17,141	148,399	1,243,640	8,380
New Jersey.........	2,450,145	6,573,756	166,338	260,509	1,434,792	13,713,251	9,558
New Mexico.........	302,271	821,022	15,463	18,815	186,565	1,538,830	8,248
New York...........	5,076,747	15,594,028	303,523	458,622	3,471,167	34,788,324	10,022
North Carolina.....	1,342,650	2,969,664	116,104	86,124	949,983	7,581,697	7,981
North Dakota.......	197,554	623,657	12,352	18,578	85,253	650,117	7,626
Ohio...............	2,860,906	7,082,159	230,337	349,611	1,611,069	13,455,573	8,352
Oklahoma...........	702,219	2,309,429	40,926	51,672	509,140	4,658,308	9,149
Oregon.............	731,949	2,142,371	67,234	92,619	497,492	4,335,801	8,715
Pennsylvania...... .	3,375,360	8,256,718	337,134	523,718	1,748,152	13,671,387	7,820
Rhode Island.......	279,628	708,202	26,733	30,528	152,433	1,263,209	8,287
South Carolina.....	625,438	1,357,682	53,834	41,724	502,822	3,928,001	7,812
South Dakota.......	187,514	601,007	5,015	5,118	72,621	526,176	7,246
Tennessee..........	943,603	2,443,557	71,379	62,090	524,811	4,215,953	8,033
Texas..........	3,376,772	11,412,430	158,929	231,376	2,086,406	20,564,440	9,856
Utah...............	371,722	742,977	23,695	30,949	292,239	2,678,298	9,165
Vermont............	150,513	329,092	9,237	10,038	73,808	572,055	7,751
Virginia...........	1,423,743	3,372,886	71,358	64,675	973,200	9,355,648	9,613
Washington.........	1,228,399	3,542,553	126,536	197,926	715,742	6,344,082	8,864
West Virginia......	394,420	902,224	51,829	80,102	173,160	1,317,079	7,606
Wisconsin..........	1,468,345	3,441,301	152,285	203,424	869,584	7,248,391	8,335
Wyoming............	133,674	379,770	10,070	12,603	75,523	630,797	8,352
Other areas[3].... ...	226,007	900,882	4,093	7,269	108,067	872,842	8,077

Table 2. (Continued) — Individual Income and Tax by State, 1984
[Money amounts are in thousands of dollars]

State	Tax liability			Earned income credit			
	Total tax					Used to offset tax	
	Number of Returns	Amount	Average tax	Number of returns	Amount	Number of returns	Amount
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
United States, total[2]	84,792,349	314,228,708	3,706	5,817,056	-1,653,907	4,244,270	-1,184,854
Alabama	1,213,417	3,624,991	2,987	152,493	-44,295	114,110	-32,434
Alaska	206,301	1,119,117	5,425	7,633	-2,012	5,069	-1,293
Arizona	1,077,849	3,546,875	3,291	76,747	-22,025	58,035	-16,521
Arkansas	694,900	1,890,354	2,720	86,961	-25,200	62,782	-17,717
California	9,641,659	37,923,424	3,933	680,605	-197,631	536,874	-154,380
Colorado	1,217,322	4,530,134	3,721	59,483	-16,839	42,167	-11,611
Connecticut	1,359,611	6,571,126	4,833	36,832	-10,041	25,545	-6,899
Delaware	236,306	893,486	3,781	14,158	-3,944	10,230	-2,838
District of Columbia	269,308	1,211,412	4,498	23,345	-6,734	18,250	-5,178
Florida	4,164,592	15,842,190	3,804	317,994	-91,648	228,383	-64,440
Georgia	2,009,150	6,637,944	3,304	200,529	-57,686	147,214	-41,547
Hawaii	392,619	1,224,322	3,118	17,085	-4,464	11,188	-2,940
Idaho	306,508	831,955	2,714	25,969	-7,431	17,847	-4,922
Illinois	4,115,059	16,921,715	4,112	236,719	-66,282	177,863	-49,119
Indiana	1,879,545	6,451,411	3,432	119,455	-33,527	85,495	-23,562
Iowa	975,559	2,955,652	3,030	59.511	-16,080	37,324	-9,528
Kansas	866,725	3,101,764	3,579	45,466	-12,557	30,491	-8,202
Kentucky	1,115,961	3,401,332	3,048	112,879	-32,372	78,702	-21,871
Louisiana	1,349,395	4,940,774	3,661	171,674	-49,246	131,653	-36,976
Maine	411,639	1,115,650	2,710	28,404	-7,968	19,011	-5,137
Maryland	1,742,179	7,498,313	4,304	84,822	-23,692	60,739	-16,749
Massachusetts	2,392,328	9,493,934	3,968	81,529	-22,853	57,245	-15,809
Michigan	3,131,703	11,765,561	3,757	151,138	-42,106	109,607	-29,869
Minnesota	1,528,293	4,948,611	3,238	70,342	-19,413	45,475	-11,637
Mississippi	709,395	1,908,928	2,691	137,867	-40,195	107,879	-30,617
Missouri	1,740,013	6,143,123	3,531	121,944	-34,177	84,917	-23,098
Montana	275,224	792,900	2,881	22,803	-6,335	15,490	-4,122
Nebraska	566,719	1,726,049	3,046	34,957	-9,572	22,117	-5,706
Nevada	368,593	1,417,961	3,847	20,928	-5,894	15,187	4,226
New Hampshire	403,276	1,496,998	14	14,929	-4,092	9,710	-2,612
New Jersey	3,254,296	14,139,138	4,345	148,258	-41,352	106,635	-29,837
New Mexico	460,255	1,401,155	3,044	53,458	-14,952	41,170	-11,337
New York	6,518,246	26,999,427	4,142	419,762	-120,170	308,521	-86,704
North Carolina	2,172,911	6,331,115	2,914	196,299	-55,328	134,970	37,634
North Dakota	236,393	702,361	2,971	15,592	-4,213	9,270	-2,330
Ohio	3,791,923	13,066,043	3,446	208,330	-57,937	149,950	-40,874
Oklahoma	1,061,346	3,912,753	3,687	88,340	-25,668	62,964	-17,702
Oregon	930,945	2,792,315	2,999	60,188	-17,227	43,272	-12,019
Pennsylvania	4,246,134	15,100,412	3,556	227,307	-63,280	160,290	-43,912
Rhode Island	370,423	1,176,704	3,177	18,284	-5,106	13,131	-3,643
South Carolina	1,066,420	2,973,792	2,789	112,554	-32,293	82,146	-23,302
South Dakota	229,962	593,135	2,579	21,378	-5,824	13,203	-3,312
Tennessee	1,563,224	4,925,824	3,151	164,358	-47,062	118,213	-33,105
Texas	5,462,932	24,076,502	4,407	486,404	-141,089	367,373	-104,976
Utah	487,233	1,400,287	2,874	28,291	-8,011	20,193	-5,561
Vermont	192,569	542,700	2,818	11,977	-3,275	7,780	-2,034
Virginia	2,103,563	7,763,991	3,691	116,596	-32,684	80,215	-22,352
Washington	1,594,103	5,887,949	3,694	80,909	-22,576	58,232	-15,896
West Virginia	556,564	1,697,656	3,050	52,349	-14,485	38,177	-10,522
Wisconsin	1,690,730	5,193,758	3,072	79,776	-21,825	53,823	-14,014
Wyoming	175,503	671,805	3,828	10,011	-2,838	6,973	-1,889
Other areas[3]	265,526	951,880	3,585	1,434	-401	1,170	-340

See notes following Table 13.

Table 3.—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980-1983
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns for -		Total adjusted gross income		Taxable income	
	1980	1981	1980	1981	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
Total	93,902,469	95,396,123	1,613,731,497	1,772,604,303	1,279,985,360	1,410,880,665
Less than $1000	3,687,997	3,484,734	-11,063,711	-16,952,842	11,799	7,084
$1,000 under $3,000	8,673,301	7,855,771	17,314,975	15,691,845	7,569,858	7,064,102
$3,000 under $5,000	7,694,231	7,405,871	30,654,346	29,580,649	18,534,160	17,994,684
$5,000 under $7,000	7,633,889	7,251,941	45,738,822	43,446,800	30,497,371	29,153,117
$7,000 under $9,000	7,336,650	7,066,520	58,608,700	56,341,030	42,267,675	40,597,471
$9,000 under $11,000	6,605,618	6,514,144	65,907,303	65,051,373	49,980,765	49,147,621
$11,000 under $13,000	5,830,212	5,821,233	69,911,911	69,702,815	54,591,487	54,207,411
$13,000 under $15,000	5,267,669	5,190,200	73,590,238	72,548,282	58,114,413	57,705,230
$15,000 under $17,000	4,654,783	4,648,986	74,387,702	74,256,678	59,701,351	59,486,499
$17,000 under $19,000	4,350,522	4,291,557	78,267,330	77,161,287	63,009,244	62,056,343
$19,000 under $22,000	5,925,162	5,967,094	121,233,104	122,157,450	97,261,921	98,703,455
$22,000 under $25,000	5,325,787	5,207,693	125,021,261	122,181,884	100,538,990	98,956,187
$25,000 under $30,000	6,783,466	7,205,282	185,760,754	197,424,953	150,218,626	159,682,521
$30,000 under $35,000	4,729,899	5,294,687	152,927,369	171,601,299	124,032,123	138,893,019
$35,000 under $40,000	3,221,053	3,910,649	120,167,693	145,814,841	97,276,738	118,288,891
$40,000 under $50,000	3,053,039	4,182,389	134,907,796	185,322,655	109,091,818	149,273,745
$50,000 under $75,000	2,033,079	2,796,836	120,009,700	164,256,670	96,834,054	131,174,316
$75,000 under $100,000	535,348	645,884	45,918,079	55,099,048	36,849,386	43,524,621
$100,000 under $150,000	336,269	398,479	40,213,979	47,552,689	32,528,035	37,518,693
$150,000 under $200,000	107,245	118,037	18,377,241	20,164,437	14,823,138	15,842,213
$200,000 under $300,000	68,422	80,945	16,387,236	19,350,168	13,211,348	15,230,276
$300,000 under $500,000	31,947	37,147	11,956,450	13,906,555	9,505,239	10,788,043
$500,000 under $1,000,000	12,467	14,758	8,323,125	9,815,188	6,516,941	7,416,993
$1,000,000 or more	4,414	5,286	9,210,095	11,128,551	7,018,879	8,168,130

Size of adjusted gross income	Total income tax [1]		Percent of filers with no income tax liability		Filers with income tax liability			
					Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	1980	1981	1980	1981	1980	1981	1980	1981
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	250,341,440	284,128,989	21.3	19.6	3,387	3,703	16.1	16.5
Less than $1,000	103,645	137,840	99.7	99.5	10,091[2]	8,626[2]	-	-
$1,000 under $3,000	32,471	43,465	96.9	95.5	122	123	6.1	6.0
$3,000 under $5,000	530,988	516,050	42.5	41.7	120	120	2.9	2.9
$5,000 under $7,000	1,864,897	1,761,464	32.1	32.0	360	357	6.0	5.9
$7,000 under $9,000	3,494,441	3,306,387	17.8	18.1	579	571	7.2	7.1
$9,000 under $11,000	5,296,395	5,150,823	5.0	5.2	844	834	8.5	8.3
$11,000 under $13,000	6,586,710	6,531,708	2.5	3.2	1,159	1,160	9.7	9.7
$13,000 under $15,000	7,633,561	7,601,053	2.1	2.2	1,480	1,498	10.7	10.7
$15,000 under $17,000 M 1980 ..	8,417,235	8,355,068	1.5	1.8	1,835	1,830	11.5	11.5
$17,000 under $19,000 M 1981 ..	9,351,972	9,226,778	1.1	1.3	2,173	2,179	12.1	12.1
$19,000 under $22,000	15,189,223	15,609,261	1.0	1.1	2,589	2,645	12.9	12.9
$22,000 under $25,000	16,620,372	16,563,264	.6	.9	3,138	3,209	13.7	13.7
$25,000 under $30,000	26,635,973	28,474,945	.4	.6	3,941	3,976	14.4	14.5
$30,000 under $35,000	23,969,187	26,910,961	.5	.4	5,091	5,103	15.7	15.7
$35,000 under $40,000	20,419,148	24,834,220	.5	.3	6,373	6,370	17.1	17.1
$40,000 under $50,000	25,565,426	34,847,163	.4	.6	8,404	8,379	19.9	18.9
$50,000 under $75,000	27,208,647	36,299,454	.6	.5	13,463	13,050	22.8	22.2
$75,000 under $100,000	12,549,071	14,715,265	.4	.4	23,531	22,867	26.4	26.8
$100,000 under $150,000	12,868,433	14,619,378	.3	.4	38,368	36,828	32.1	30.9
$150,000 under $200,000	6,537,749	6,886,418	.3	.2	61,169	58,439	35.7	34.2
$200,000 under $300,000	6,370,648	7,183,611	.1	.2	93,234	88,930	38.9	37.2
$300,000 under $500,000	4,971,806	5,566,282	.1	.1	155,797	149,990	41.6	40.1
$500,000 under $1,000,000	3,713,691	4,100,676	.1	.1	298,169	278,182	44.7	41.8
$1,000,000 or more	4,409,751	4,887,456	.1	.1	999,944	925,655	47.9	44.0

M - The median taxpayer was at this income level.
See notes following Table 13.

Table 3. (Continued)—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980-1983
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns for -		Total adjusted gross income		Taxable income	
	1982	1983	1982	1983	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
Total	95,337,432	96,321,310	1,852,135,465	1,942,589,865	1,473,348,899	1,544,872,497
Less than $1000	3,412,105	3,415,113	-22,324,833	-25,592,802	29,646	75,549
$1,000 under $3,000	7,573,825	7,253,408	15,122,101	14,482,816	6,717,217	6,757,833
$3,000 under $5,000	6,966,104	7,167,924	27,925,256	28,679,137	17,168,389	17,374,119
$5,000 under $7,000	6,682,490	6,734,360	39,885,078	40,321,353	26,709,472	26,472,290
$7,000 under $9,000	7,176,962	6,879,931	57,512,193	55,039,361	40,904,714	39,153,168
$9,000 under $11,000	6,421,665	6,205,165	64,229,520	61,927,394	47,995,843	46,314,016
$11,000 under $13,000	5,651,414	5,724,798	67,793,416	68,522,507	52,526,932	52,529,347
$13,000 under $15,000	5,414,103	5,161,674	75,702,223	72,217,107	59,652,891	57,062,111
$15,000 under $17,000	4,734,479	4,593,795	75,594,637	73,350,227	60,951,455	58,956,588
$17,000 under $19,000	3,964,008	4,291,218	71,295,728	77,093,374	57,689,594	62,209,794
$19,000 under $22,000	5,365,925	5,617,176	109,806,080	115,071,603	88,855,846	93,320,322
$22,000 under $25,000	5,273,708	5,115,957	123,853,268	120,238,524	100,054,304	97,650,110
$25,000 under $30,000	7,621,965	7,357,487	209,572,367	201,763,983	169,726,189	163,111,031
$30,000 under $35,000	5,646,966	6,011,290	182,644,120	194,666,035	146,947,632	156,601,086
$35,000 under $40,000	4,215,650	4,409,645	157,391,914	164,664,066	126,471,828	131,804,272
$40,000 under $50,000	4,716,532	5,147,782	208,952,374	228,225,122	166,018,176	181,289,066
$50,000 under $75,000	3,057,266	3,591,188	179,566,469	211,838,450	141,376,967	166,095,719
$75,000 under $100,000	702,064	822,840	59,748,095	70,011,841	46,720,423	54,345,021
$100,000 under $150,000	432,757	469,391	51,674,638	56,206,333	40,228,978	43,403,109
$150,000 under $200,000	138,082	152,560	23,616,649	26,170,484	18,710,797	20,312,767
$200,000 under $300,000	93,033	108,379	22,323,087	26,016,239	17,807,227	20,642,936
$300,000 under $500,000	47,245	53,960	17,650,665	20,144,746	14,153,358	15,959,347
$500,000 under $1,000,000	20,681	25,469	13,830,843	17,173,250	11,042,159	13,706,293
$1,000,000 or more	8,408	10,800	18,769,578	24,358,715	14,888,860	19,726,601

Size of adjusted gross income	Total income tax[1]		Percent of filers with no income tax liability		Filers with income tax liability			
					Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	1982	1983	1982	1983	1982	1983	1982	1983
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	277,597,301	274,181,323	19.2	19.0	3,604	3,514	15.4	14.5
Less than $1,000	130,288	127,789	99.6	99.7	9,298[2]	13,249	-	-
$1,000 under $3,000	35,182	51,414	95.0	93.4	92	108	5.0	5.7
$3,000 under $5,000	475,448	409,533	41.9	42.0	117	99	2.8	2.4
$5,000 under $7,000	1,473,139	1,310,055	31.4	33.7	321	293	5.4	4.9
$7,000 under $9,000	2,967,854	2,603,057	20.7	21.2	521	480	6.5	6.0
$9,000 under $11,000	4,462,848	3,888,167	6.8	8.3	746	684	7.4	6.8
$11,000 under $13,000	5,566,452	5,012,113	4.0	4.2	1,026	914	8.6	7.6
$13,000 under $15,000	7,002,695	6,066,527	2.3	2.7	1,324	1,208	9.5	8.6
$15,000 under $17,000	7,766,398	6,809,411	1.5	2.4	1,665	1,518	10.4	9.5
$17,000 under $19,000 M	7,786,372	7,664,811	1.8	1.6	2,001	1,816	11.1	10.1
$19,000 under $22,000	12,725,118	12,163,958	1.2	1.2	2,399	2,192	11.7	10.7
$22,000 under $25,000	15,378,094	13,595,791	1.3	1.3	2,956	2,692	12.6	11.5
$25,000 under $30,000	27,852,640	24,354,551	.6	.8	3,676	3,338	13.4	12.2
$30,000 under $35,000	25,867,035	25,156,554	.5	.6	4,605	4,208	14.2	13.0
$35,000 under $40,000	24,098,091	22,673,889	.5	.8	5,743	5,182	15.4	13.9
$40,000 under $50,000	35,029,801	34,798,186	.5	.4	7,468	6,787	16.9	15.3
$50,000 under $75,000	35,892,383	38,352,897	.5	.4	11,803	10,725	20.1	18.2
$75,000 under $100,000	14,594,818	15,392,973	.4	.3	20,865	18,770	24.5	22.1
$100,000 under $150,000	14,385,740	14,351,743	.2	.4	33,321	30,690	27.9	25.6
$150,000 under $200,000	7,483,155	7,662,455	.5	.3	54,447	50,365	31.8	29.4
$200,000 under $300,000	7,651,434	8,488,945	.2	.2	82,400	78,513	34.3	32.7
$300,000 under $500,000	6,380,687	7,124,258	.1	.2	135,233	132,313	36.2	35.4
$500,000 under $1,000,000	5,222,845	6,463,482	.1	.2	252,751	254,228	37.8	37.7
$1,000,000 or more	7,368,787	9,658,764	.1	.3	877,132	896,655	39.3	39.8

M - The median taxpayer was at this income level for both 1982 and 1983.
See notes following Table 13.

Table 4.—Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Years, 1970-1983
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970 (1)	1975 (2)	1980 (3)	1981 (4)	1982 (5)	1983 (6)
Number of returns, total	5,769,741	7,221,346	8,931,712[1]	9,584,790[1]	10,105,515[1]	10,703,921[1]
Number with net income	n.a.	n.a.	n.a.	6,534,688	6,761,405	7,390,395
Inventory, end of year	11,060,775	15,578,040	21,996,236	22,921,503	21,804,915	n.a.
Business receipts, total	198,582,172	273,954,741	411,205,713	427,063,055	433,664,897	465,168,637
Income from sales and operations	n.a.	272,342,560	407,169,299	421,700,025	428,311,840	455,382,492
Total deductions	168,044,746	234,318,288	356,258,495	373,991,426	383,091,734	404,808,647
Cost of goods sold/operations	109,148,811	146,261,435	209,889,809	209,723,950	205,471,499	212,631,063
Purchases	88,585,913	117,722,352	168,301,517	167,751,431	161,295,256	n.a.
Cost of labor	7,704,285	8,791,083	10,922,221	10,923,120	11,424,639	9,870,673
Materials and supplies	6,216,057	9,090,638	12,909,222	12,081,423	12,735,789	n.a.
Commissions	1,274,016	2,225,830	3,333,345	3,539,844	4,464,026	n.a.
Salaries and wages	15,107,047	20,227,859	26,560,821	28,749,357	30,403,121	31,665,698
Car and truck expenses	n.a.	n.a.	13,378,289	12,358,478	n.a.	14,758,472
Rent paid	4,636,528	6,676,314	9,636,290	10,715,102	11,797,053	11,830,835
Repairs	2,444,607	3,044,175	5,031,573	5,414,156	6,006,403	n.a.
Taxes paid	3,775,502	5,423,961	7,672,459	6,661,054	7,747,540	n.a.
Utilities	n.a.	n.a.	4,790,337	8,275,517	n.a.	n.a.
Insurance	2,309,608	3,503,812	6,003,126	6,238,704	6,448,494	n.a.
Interest paid	1,784,276	3,390,845	7,190,257	9,052,338	10,143,489	9,925,746
Depreciation	5,451,525	7,958,143	13,952,703	15,854,513	19,121,559	22,069,530
Pension and profit sharing plans	72,741	125,296	141,463	152,588	136,359	122,915
Net income (less loss)	30,537,426	36,636,453	54,947,219	53,071,628	50,573,164	60,359,153
Net income, businesses w/profit	33,735,732	45,624,890	68,010,051	68,552,791	68,647,384	78,618,410
Net loss, businesses w/o profit	3,198,306	5,988,437	13,062,832	15,481,162	18,094,220	18,259,256

See notes following Table 13.

Table 5.—Partnership Returns: Selected Income Statement and Balance Sheet Items for Selected Years, 1970-1983
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970 (1)	1975 (2)	1980 (3)	1981 (4)	1982 (5)	1983 (6)
Total number of active partnerships	936,133	1,073,094	1,379,654	1,460,502	1,514,212	1,541,539
Number with net income	639,795	661,134	774,173	749,222	791,117	783,968
Number with balance sheets	555,741	783,271	1,194,236	1,193,792	1,217,386	1,190,696
Number of partners	3,697,818	4,950,634	8,419,899	9,448,361	9,764,667	10,589,338
Total assets [1]	116,752,751	235,468,301	597,503,923	715,232,726	845,281,449	886,992.767
Buildings/depreciable assets (net)	n.a.	113,124,969	239,139,823	367,270,152	310,846,376	485,402,717
Inventories, end of year	n.a.	11,985,431	33,218,272	59,649,950	100,728,688	n.a.
Land	n.a.	36,731,958	70,241,248	76,336,446	84,820,308	98,427,459
Total liabilities	n.a.	193,875,629	488,734,023	580,033,757	701,630,766	886,992,774
Accounts payable	n.a.	12,302,055	33,899,048	29,092,451	37,254,748	34,724,772
Short-term debt[2]	n.a.	22,709,476	48,001,839	55,691,914	73,277,805	67,294,519
Long-term debt[3]	n.a.	136,296,764	178,044,406	196,508,937	236,218,378	268,268,458
Nonrecourse loans	n.a.	n.a.	118,910,380	138,134,304	154,508,961	194,828,542
Partners' capital accounts	n.a.	41,592,672	108,769,900	135,198,969	143,650,646	141,839,683
Total receipts[4]	93,348,080	148,417,529	291,998,115	272,129,807	296,690,303	291,318,703
Business receipts[4]	90,208,834	142.505,781	271,108,832	230,027,336	251,608,987	243,248,370
Interest received[4]	942,304	2,477,173	10,869,323	13,772,559	15,259,801	15,006,055
Total deductions[4]	83,557,684	140,679,959	283,749,460	274,864,704	304,004,833	298,928,744
Cost of goods sold/operations	46,040,874	64,672,843	113,885,668	130,043,609	144,595,111	125,330,745
Purchases	31,820,581	42,608,734	70,439,607	92,136,914	96,111.197	n.a.
Cost of labor	4,146,927	4,585,836	7,015,547	5,835,683	7,183,865	n.a.
Salaries and wages[4]	8,129,233	12,489,039	22,336,337	21,136,914	23,204,883	24,733,780
Taxes paid	3,159,258	5,770,918	9,553,145	5,040,336	5,288,971	5,909,545
Interest paid[4]	4,470,206	12,097,100	28,362,385	19,586,018	21,517,044	22,364,264
Depreciation[4, 5]	4,578,820	10,108,834	21,576,189	27,263,184	32,361.640	37,340,062
Net income (less loss)	9,790,396	7,737,570	8,248,655	-2,734,897	-7,314,587	-2,610,041
Net income, businesses w/profit	14,419,124	22,431,931	45,061,756	50,567,190	53,556,856	60,308,114
Net loss, businesses w/o profit	4,628,728	14,694,361	36,813,100	53,302,086	60,871,442	62,918,155

See notes following Table 13.

Table 6.—Number of Business Income Tax Returns, by Size of Receipts and Assets, for Selected Years, 1970-1983
[All figures are estimates based on samples — number of businesses are in thousands]

Size of business	Number of businesses reporting					
	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
CORPORATIONS						
Receipt size[1]						
Under $25,000[2]	451.9	468.9	557.0	585.3	620.0	n.a.
$25,000 - $49,999	170.7	186.4	207.7	210.2	217.5	n.a.
$50,000 - $99,999	219.8	260.7	322.7	311.5	324.7	n.a.
$100,000 - $199,999			558.4	569.1	593.4	n.a.
$200,000 - $499,999	516.9	673.9	367.3	404.4	427.9	n.a.
$500,000 - $999,999	141.1	184.2	279.8	291.6	296.0	n.a.
$1,000,000 or more	165.0	249.5	417.7	440.3	446.4	n.a.
Asset size						
Under $100,000[3]	961.0	1,177.7	1,514.6	1,569.5	1,646.6	1,665.7p
$100,000 - $1 million	599.1	704.6	968.9	1,004.1	1,033.5	1,075.0p
$1 million - $10 million	87.0	116.4	191.8	201.2	206.5	218.4p
$10 million - $25 million	9.8	12.2	16.6	17.5	18.3	18.5p
$25 million - $50 million	3.9	5.6	7.8	8.4	8.9	8.8p
$50 million - $100 million	2.1	3.1	4.8	5.2	5.5	5.6p
$100 million - $250 million	1.4	2.1	3.2	3.4	3.5	3.6p
$250 million and over	1.2	1.9	2.9	3.1	3.2	3.5p
PARTNERSHIPS						
Receipt size[1]						
Under $25,000	501.7	549.7	638.0	748.2	758.8[4]	763.4[4]
$25,000 - $49,999	125.2	141.0	181.8	163.6	178.1	173.4
$50,000 - $99,999	119.6	133.7	183.6	180.2	190.6	203.7
$100,000 - $199,999	97.2	114.0	155.2	147.1	155.0	154.2
$200,000 - $499,999	65.2	90.6	135.6	131.3	137.8	143.7
$500,000 - $999,999	17.0	25.5	48.1	50.8	52.1	56.0
$1,000,000 or more	10.3	18.6	37.4	39.2	41.9	46.4
Asset size[5]						
Under $25,000	635.7	611.0	541.9	612.5	350.6	360.1
$25,000 - $49,999	80.8	105.9	156.3	154.6	143.8	115.5
$50,000 - $99,999	73.5	106.8	180.2	173.6	186.9	164.6
$100,000 - $249,999	74.7	116.0	219.1	211.5	209.6	207.0
$250,000 - $499,999	33.8	56.9	117.9	122.0	132.2	131.2
$500,000 - $999,999	19.3	35.3	72.1	83.4	83.7	86.3
$1,000,000 or more	18.3	41.2	92.2	103.0	115.9	125.8
NONFARM SOLE PROPRIETORSHIPS						
Receipt size						
Under $2,500	1,894.3	2,299.9	2,783.1	n.a.	2,882.0	2,908.5
$2,500 under $5,000	815.1	959.4	1,158.6	n.a.	1,220.9	1,313.9
$5,000 under $10,000	891.5	1,041.7	1,262.9	n.a.	1,361.4	1,452.3
$10,000 under $25,000	1,137.4	1,325.7	1,711.8	n.a.	1,738.5	1,916.6
$25,000 under $50,000	746.4	849.5	1,079.1	n.a.	1,117.1	1,187.0
$50,000 under $100,000	562.0	644.5	835.6	n.a.	843.6	919.3
$100,000 under 200,000	297.4	380.9	795.8	n.a.	838.3	888.7
$200,000 under $500,000	122.3	209.2		n.a.		
$500,000 under $1,000,000	20.8	35.3	73.9	n.a.	68.1	82.9
$1,000,000 or more	6.6	13.5	29.2	n.a.	35.6	34.9

See notes following Table 13.

Table 7.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1982

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division and items	1970	1975	1979	1980	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total	37,283	56,280	76,643	80,883	85,370	91,320
Number with net income	19,843	33,328	46,683	43,827	44,948	47,858
Total assets	11,909,403	21,177,941	36,265,804	40,738,977	46,081,067	50,409,537
Total liabilities	7,897,335	14,332,992	24,775,572	29,278,042	32,492,648	36,289,615
Total receipts	14,277,707	28,118,514	50,986,876	52,089,915	65,061,959	65,356,911
Business receipts	13,591,763	26,624,149	48,367,354	48,850,056	60,907,045	60,643,550
Interest received	69,742	171,732	349,252	476,654	751,553	758,699
Total deductions	14,209,713	27,369,286	49,751,856	51,418,280	64,735,599	65,442,003
Cost of sales and operations	10,555,539	19,738,447	36,226,280	35,798,332	45,552,234	43,222,379
Interest paid	356,225	797,420	1,592,102	2,184,441	2,738,463	3,048,844
Net income (less loss)	65,295	746,908	1,239,718	673,158	328,308	-86,418
Net income, businesses w/profit	493,400	1,493,168	2,469,480	2,464,381	2,551,988	2,328,479
Deficit, businesses w/o profit	428,105	746,260	1,229,762	1,791,222	2,223,679	2,614,897
Income tax before credits	113,115	351,059	501,397	533,768	543,280	490,228
Total income tax after credits[1]	107,023	294,584	365,106	422,282	414,448	375,422
Distributions to stockholders except in own stock	65,824	244,524	326,037	304,733	512,027	409,070
MINING						
Number of returns, total	14,465	14,242	24,296	25,576	33,363	36,676
Number with net income	7,303	8,297	11,259	12,698	17,634	15,950
Total assets	23,972,812	64,505,341	115,530,163	126,947,880	168,908,241	192,380,473
Total liabilities	10,590,991	31,739,651	64,248,721	72,879,732	98,442,207	112,503,993
Total receipts	17,747,750	65,909,994	132,926,563	176,672,390	200,194,751	203,098,557
Business receipts	16,699,586	63,670,496	127,833,110	167,397,918	189,552,446	191,152,749
Interest received	176,728	522,757	959,329	1,301,266	2,432,908	2,695,216
Total deductions	15,927,348	42,348,765	89,992,366	169,051,624	195,021,576	203,045,736
Cost of sales and operations	9,955,600	30,171,612	60,477,876	116,989,880	150,193,394	151,521,066
Interest paid	388,032	1,166,182	2,769,022	3,440,080	6,051,461	7,623,777
Net income (less loss)	1,834,315	23,574,833	43,063,340	7,750,561	5,620,746	543,578
Net income, businesses w/profit	2,399,507	24,347,893	44,911,264	10,133,685	10,611,609	8,429,100
Deficit, businesses w/o profit	565,192	773,060	1,571,455	2,383,124	4,990,863	7,885,522
Income tax before credits	1,031,550	11,361,037	20,098,354	3,947,569	4,119,612	3,203,406
Total income tax after credits[1]	342,928	1,051,138	1,212,267	1,672,492	1,685,491	1,044,556
Distributions to stockholders except in own stock	1,177,550	1,015,895	3,215,842	4,757,780	3,278 771	3,926,230
CONSTRUCTION						
Number of returns, total	138,905	191,219	259,213	272,432	276,395	282,345
Number with net income	82,078	108,852	162,732	150,368	145,206	138,783
Total assets	42,719,792	76,691,947	125,420,947	132,939,026	150,764,144	153,085,046
Total liabilities	30,900,188	57,662,870	95,369,236	100,112,852	113,695,252	114,150,550
Total receipts	90,610,644	146,955,117	258,723,850	267,205,356	280,172,375	281,747,868
Business receipts	88,945,385	143,412,715	252,702,613	260,387,692	270,543,236	271,633,721
Interest received	219,698	614,583	1,394,177	2,073,650	3,122,737	3,137,599
Total deductions	89,070,022	144,717,309	252,709,644	262,116,275	276,744,601	279,555,128
Cost of sales and operations	73,434,969	116,845,554	204,421,609	208,064,925	214,612,975	212,698,363
Interest paid	711,496	1,973,244	3,536,998	4,278,502	5,318,285	5,455,056
Net income (less loss)	1,538,418	2,236,262	6,136,913	5,271,209	3,455,058	2,323,952
Net income, businesses w/profit	2,548,013	4,514,864	9,117,112	8,911,143	8,295,947	8,106,061
Deficit, businesses w/o profit	1,009,595	2,278,602	2,980,199	3,639,934	4,840,889	5,782,109
Income tax before credits	776,979	1,320,196	2,550,908	2,521,507	2,316,708	2,069,718
Total income tax after credits[1]	756,637	1,131,960	1,824,890	1,973,614	1,868,113	1,578,992
Distributions to stockholders except in own stock	299,204	464,553	697,637	793,764	889,557	916,690
MANUFACTURING						
Number of returns, total	197,807	217,354	241,795	242,550	251,294	259,106
Number with net income	120,814	136,839	164,605	153,640	149,964	146,415
Total assets	612,912,516	944,581,970	1,533,494,376	1,709,471,700	1,933,710,383	2,060,710,683
Total liabilities	303,989,223	501,994,296	856,041,068	960,284,926	1,085,493,079	1,163,839,539
Total receipts	722,952,890	1,296,359,650	2,166,399,886	2,404,323,844	2,613,512,581	2,488,331,915
Business receipts	700,090,661	1,258,338,650	2,086,220,228	2,301,056,550	2,487,695,859	2,357,973,059
Interest received	4,748,499	8,691,092	21,355,133	28,315,784	38,848,407	38,134,480
Total deductions	692,455,462	1,230,689,496	2,045,448,376	2,290,593,808	2,509,134,569	2,423,254,936
Cost of sales and operations	495,879,549	925,111,030	1,533,327,048	1,707,143,900	1,822,985,043	1,660,537,002
Interest paid	12,570,242	22,055,903	41,587,856	54,177,356	73,084,336	79,322,435
Net income (less loss)	31,846,078	68,406,627	130,791,918	125,667,815	116,775,393	75,791,264
Net income, businesses w/profit	37,925,489	74,466,554	140,223,449	141,547,510	138,215,539	108,170,744
Deficit, businesses w/o profit	6,079,411	6,059,927	9,431,531	15,879,695	21,440,146	32,379,481
Income tax before credits	16,744,905	32,306,739	58,668,112	59,577,413	58,820,480	45,015,096
Total income tax after credits[1]	13,242,226	21,024,964	35,059,349	32,701,861	30,115,496	26,616,529
Distributions to stockholders except in own stock	14,616,282	19,973,061	38,321,486	37,306,509	41,434,134	43,912,134

Table 7. (Continued)—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1982
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division and items	1970	1975	1979	1980	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total	67,398	80,701	106,824	111,324	109,127	115,470
Number with net income	38,204	45,360	61,583	62,232	56,480	59,793
Total assets	287,740,207	443,236,797	676,186,972	758,364,400	837,300,816	919,861,069
Total liabilities	166,535,185	266,792,390	411,531,388	467,708,707	516,438,230	566,980,444
Total receipts	135,495,271	243,480,637	448,140,811	523,807,396	598,507,994	632,294,442
Business receipts	131,463,171	234,689,427	434,427,319	507,372,820	575,602,089	606,039,657
Interest received	930,266	1,520,913	4,067,665	5,760,072	8,048,746	9,138,892
Total deductions	127,931,131	233,409,166	429,849,123	503,954,285	579,172,068	614,397,320
Cost of sales and operations	77,743,359	143,932,463	284,041,578	336,868,172	358,354,512	338,796,961
Interest paid	7,364,200	13,761,062	21,631,167	27,638,591	34,085,384	36,839,460
Net income (less loss)	7,543,718	10,099,571	18,462,903	20,046,155	19,573,717	18,335,959
Net income, businesses w/profit.	9,471,595	12,088,189	22,058,598	24,917,293	25,739,287	27,378,633
Deficit, businesses w/o profit.	1,927,877	1,988,618	3,595,695	4,871,138	6,165,570	9,042,673
Income tax before credits	4,342,334	5,107,158	9,115,461	10,532,722	10,481,203	11,356,073
Total income tax after credits[1]	4,036,650	2,836,470	4,834,026	5,322,990	5,065,529	4,925,936
Distributions to stockholders except in own stock	5,837,565	8,900,353	15,275,029	17,329,807	19,622,705	21,438,500
WHOLESALE AND RETAIL TRADE						
Number of returns, total	518,062	614,632	776,661	799,628	816,836	839,547
Number with net income	339,987	399,668	502,947	487,300	476,877	468,108
Total assets	192,181,800	323,496,726	573,310,389	646,901,005	708,060,408	753,351,132
Total liabilities	115,179,668	200,846,992	376,719,434	424,611,318	472,256,895	501,934,034
Total receipts	522,547,923	969,938,872	1,750,559,063	1,955,523,778	2,039,628,384	2,017,701,364
Business receipts	511,316,883	951,463,550	1,711,773,627	1,919,347,689	1,997,262,710	1,972,305,356
Interest received	1,291,906	3,857,318	8,243,949	10,503,989	14,319,277	14,373,589
Total deductions	512,910,193	947,511,780	1,711,496,089	1,919,454,218	2,006,891,471	1,989,739,286
Cost of sales and operations	392,391,856	745,299,204	1,361,550,632	1,538,128,634	1,594,256,679	1,556,263,179
Interest paid	4,309,663	8,587,173	19,931,751	25,645,855	30,997,865	30,429,310
Net income (less loss)	9,671,044	22,489,430	40,242,601	38,309,671	33,320,403	28,442,678
Net income, businesses w/profit.	12,395,411	27,681,721	48,246,345	49,426,500	47,657,374	45,747,936
Deficit, businesses w/o profit.	2,724,367	5,192,291	8,003,744	11,116,829	14,336,971	17,305,258
Income tax before credits	4,476,047	8,103,316	13,313,992	13,515,653	12,329,212	11,372,087
Total income tax after credits[1]	4,237,181	7,348,619	10,772,309	10,550,255	10,282,598	9,379,328
Distributions to stockholders except in own stock	2,068,501	5,029,897	8,821,280	10,343,087	10,034,841	12,069,015
FINANCE, INSURANCE AND REAL ESTATE						
Number of returns, total	406,235	411,846	471,227	493,426	469,795	461,630
Number with net income	248,586	243,409	281,195	273,853	258,622	252,689
Total assets	1,401,153,520	2,321,965,956	3,630,045,296	4,022,206,073	4,486,191,441	4,987,466,401
Total liabilities	1,204,673,072	2,052,195,429	3,187,436,102	3,491,664,756	3,830,001,863	4,220,527,191
Total receipts	177,321,173	315,795,981	560,968,442	697,460,846	877,808,946	949,867,877
Business receipts	92,091,887	157,126,715	254,722,667	256,892,475	330,631,846	337,493,098
Interest received	63,694,046	127,040,303	250,979,245	315,146,115	421,159,015	456,333,537
Total deductions	161,630,060	297,963,817	514,086,140	652,637,787	838,764,803	915,164,762
Cost of sales and operations	48,434,362	84,614,209	123,367,688	129,644,330	162,447,596	169,435,694
Interest paid	34,548,509	77,677,659	164,365,541	219,167,684	314,128,780	340,960,344
Net income (less loss)	12,214,079	11,663,330	37,011,262	33,122,792	26,346,494	21,804,088
Net income, businesses w/profit.	15,081,939	18,825,003	43,275,518	46,040,390	53,018,005	57,745,075
Deficit, businesses w/o profit.	2,867,860	7,161,673	6,264,256	12,917,599	26,671,510	35,940,986
Income tax before credits	4,404,449	5,558,647	11,595,112	9,680,755	7,968,422	7,643,631
Total income tax after credits[1]	4,150,009	4,673,705	9,601,617	7,698,134	6,037,489	5,497,997
Distributions to stockholders except in own stock	7,387,211	8,729,977	18,348,769	24,692,146	41,998,295	46,504,963
SERVICES						
Number of returns, total	281,218	435,672	609,103	671,338	752,813	819,706
Number with net income	150,525	249,641	364,156	408,716	441,100	472,799
Total assets	61,875,140	90,534,067	153,219,483	178,163,737	213,724,531	237,876,895
Total liabilities	42,346,078	63,678,693	108,132,469	125,298,224	152,673,683	170,091,510
Total receipts	69,572,626	131,377,364	244,542,893	279,883,187	346,846,723	380,767,394
Business receipts	66,459,515	125,747,462	234,497,897	266,088,619	328,053,889	355,090,610
Interest received	435,070	875,506	2,196,467	3,269,412	4,696,008	5,120,807
Total deductions	68,384,452	127,996,443	236,359,966	271,792,974	338,790,049	373,717,841
Cost of sales and operations	37,733,747	63,724,869	117,057,522	129,352,692	157,886,393	135,273,962
Interest paid	1,802,802	3,279,438	6,082,021	8,033,612	10,472,892	11,265,412
Net income (less loss)	1,198,703	3,396,744	8,252,805	8,193,903	8,197,916	7,199,258
Net income, businesses w/profit.	3,384,869	6,025,592	12,060,033	13,246,601	15,182,552	16,061,222
Deficit, businesses w/o profit.	2,186,166	2,628,848	3,807,228	5,052,698	6,984,635	8,861,964
Income tax before credits	1,058,264	1,625,093	3,276,011	3,497,265	4,029,725	3,885,618
Total income tax after credits[1]	1,003,130	1,323,637	2,419,382	2,613,888	2,943,149	2,617,390
Distributions to stockholders except in own stock	558,452	855,402	1,816,177	1,841,945	2,491,324	3,269,285

See notes following Table 13.

Table 8.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970-1982

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970 (1)	1975 (2)	1979 (3)	1980 (4)	1981 (5)	1982 (6)
Number of returns, total	1,665,477	2,023,647	2,577,801	2,710,538	2,812,420	2,925,933
Number with net income	1,008,337	1,226,208	1,599,322	1,596,632	1,597,298	1,608,363
Small Business Corp. returns	257,475	358,413	518,550	545,389	541,489	564,219
DISC returns	N/A	6,431	8,066	8,665	9,408	9,663
Total assets	2,634,706,564	4,286,556,273	6,844,891,231	7,617,238,403	8,547,161,872	9,357,784,804
Notes and acc'ts receivable	614,667,376	1,051,542,806	1,817,469,863	1,984,601,790	2,239,832,960	2,420,475,398
Inventories	190,401,642	317,718,545	504,315,590	534,806,547	588,219,956	581,241,455
Investments in Gov't obligations	196,625,390	316,131,699	421,441,738	472,059,737	514,837,697	605,513,662
Net capital assets, except land[1]	552,838,384	825,107,002	1,264,872,322	1,418,605,742	1,591,843,868	1,761,860,557
Total liabilities	1,882,295,401	3,189,491,468	5,125,337,041	5,672,850,147	6,303,221,090	6,888,211,820
Accounts payable	148,812,597	263,417,584	482,558,295	542,172,368	619,969,292	678,630,282
Short-term debt[2]	170,884,261	272,123,551	452,958,194	504,802,288	585,947,678	667,060,956
Long-term debt[2]	362,700,303	586,703,526	885,515,693	986,663,932	1,058,070,877	1,224,277,725
Net worth	752,411,163	1,097,064,806	1,719,554,190	1,944,388,256	2,243,940,782	2,469,572,984
Total receipts	1,750,776,503	3,198,627,860	5,615,625,519	6,361,284,012	7,026,351,839	7,024,097,766
Business receipts	1,620,885,576	2,961,729,640	5,152,613,019	5,731,616,337	6,244,678,064	6,156,994,009
Interest on Gov't obligations	9,687,116	17,264,405	30,420,365	38,061,592	50,519,552	n.a.
State and Local	3,775,917	6,711,606	10,878,916	12,620,876	13,881,460	14,124,877
United States	5,911,199	10,552,799	19,541,449	25,440,716	36,638,092	515,628,874
Other interest	61,883,309	126,034,505	259,146,298	328,802,958	442,918,194	
Rents and royalties	16,524,889	26,932,271	40,303,671	53,821,391	67,522,636	83,051,513
Net short-term capital gain less net long-term capital loss	190,439	301,601	1,209,842	2,013,510	2,178,572	2,882,207
Net long-term capital gain less net short-term capital loss	5,481,580	8,364,523	20,005,538	24,910,957	29,064,630	26,318,184
Net gain, sales of noncap. assets	5,315,562	7,757,287	15,397,176	20,117,615	16,639,271	20,992,023
Dividends received from domestic corporations	5,238,421	8,818,282	16,863,766	18,654,800	17,442,112	18,155,559
Dividends received from foreign corporations	3,466,515	5,467,726	12,715,084	14,563,353	13,790,320	13,950,906
Total deductions	1,682,778,847	3,052,674,597	5,331,970,825	6,125,365,155	6,813,841,356	6,869,267,462
Cost of sales and operations	1,146,263,273	2,129,928,467	3,721,782,971	4,204,905,905	4,509,198,199	4,270,850,310
Bad debts	6,479,814	13,781,147	17,486,107	18,769,771	22,286,815	26,690,963
Taxes paid	49,523,243	81,530,302	128,172,063	163,003,622	170,470,926	165,888,353
Interest paid	62,055,010	129,307,921	261,530,850	344,612,542	476,964,684	515,032,667
Contributions or gifts	797,029	1,202,130	2,294,755	2,358,554	2,514,425	2,906,476
Depreciation	52,941,266	86,295,664	138,490,396	157,345,828	186,195,048	213,179,160
Depletion	5,623,339	5,341,489	7,828,973	8,871,993	7,929,396	7,021,176
Pension, profit-sharing, stock bonus, and annuity plans	12,225,912	26,526,129	46,583,431	51,529,310	52,952,583	54,232,011
Net loss, sales of noncap. assets	1,289,305	1,804,079	4,074,858	5,903,104	7,943,607	10,367,020
Net income (less loss)	65,901,614	142,636,826	285,300,630	239,006,542	213,648,962	154,334,143
Net income, businesses w/profit	83,710,924	169,483,336	322,517,550	296,787,201	301,440,778	274,352,942
Net loss, businesses w/o profit	17,809,310	26,846,510	37,216,920	57,780,659	87,791,816	120,018,799
Income subject to tax	72,374,437	146,589,287	280,155,155	246,598,486	240,422,626	205,175,407
Income tax before credits[3]	32,949,937	65,769,822	119,157,964	103,831,172	100,644,417	85,077,493
Tax credits, total	5,414,940	26,452,791	54,229,274	42,167,741	43,813,131	39,694,245
Foreign tax credit	4,548,986	19,987,724	36,828,057	24,861,315	21,828,686	19,137,201
Possessions tax credit	N/A	N/A	1,376,124	1,565,681	1,945,637	2,026,980
Investment credit	865,954	6,459,746	14,678,306	15,102,812	18,887,286	17,312,702
Jobs credit	N/A	N/A	1,318,837	601,444	472,895	327,285
Research credit	N/A	N/A	N/A	N/A	639,302	839,220
Income tax after credits[3]	27,534,997	39,317,031	64,928,690	61,663,431	56,831,286	45,383,248
Additional tax for tax preferences	265,249	156,740	433,649	438,820	524,851	478,457
Total income tax	27,878,078	39,691,517	66,120,672	62,974,695	58,444,720	47,071,909
Distributions to stockholders, except in own stock	32,012,677	45,224,392	86,833,911	97,378,617	120,295,338	132,478,411

See notes following Table 13.

Table 9.—Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1981-1985
[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	Individual income taxes[1]	Corporation income taxes[2]	Excise taxes[3]	Employment taxes[4]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1981 TOTAL	606,799	332,850	73,733	40,420	152,886	6,910
October 1980 - December 1980	118,804	67,081	14,527	7,305	28,193	1,698
January 1981 - March 1981	143,899	77,467	14,844	10,082	39,878	1,628
April 1981 - June 1981	196,970	108,600	29,204	11,963	45,510	1,692
July 1981 - September 1981	147,126	79,702	15,158	11,069	39,304	1,893
FISCAL YEAR 1982 TOTAL	632,241	352,609	65,991	36,779	168,718	8,143
October 1981 - December 1981	137,570	71,526	15,898	10,577	37,654	1,915
January 1982 - March 1982	154,128	85,930	14,722	9,426	41,751	2,299
April 1982 - June 1982	196,506	113,852	23,115	8,389	49,165	1,986
July 1982 - September 1982	144,036	81,301	12,256	8,387	40,148	1,943
FISCAL YEAR 1983 TOTAL	627,247	349,628	61,780	35,766	173,848	6,226
October 1982 - December 1982	132,205	70,312	13,404	8,498	38,404	1,588
January 1983 - March 1983	150,019	86,853	11,494	8,222	41,930	1,519
April 1983 - June 1983	194,431	111,721	22,027	8,947	50,219	1,516
July 1983 - September 1983	150,591	80,742	14,855	10,097	43,294	1,602
FISCAL YEAR 1984 TOTAL	680,475	362,892	74,179	38,017	199,210	6,177
October 1983 - December 1983	141,849	73,379	16,208	9,654	41,132	1,476
January 1984 - March 1984	164,681	89,316	14,337	8,862	50,545	1,622
April 1984 - June 1984	208,814	114,525	25,990	9,680	57,061	1,558
July 1984 - September 1984	165,131	85,672	17,644	9,822	50,472	1,521
FISCAL YEAR 1985 TOTAL	742,871	396,659	77,413	37,005	225,214	6,580
October 1984 - December 1984	155,919	79,775	17,546	9,732	47,286	1,580
January 1985 - March 1985	176,324	89,325	17,350	8,650	59,352	1,647
April 1985 - June 1985	233,946	136,141	24,843	9,013	62,313	1,636
July 1985 - September 1985	176,682	91,418	17,674	9,610	56,263	1,717

See notes following Table 13.

Table 10.—Internal Revenue Refunds: Amounts Refunded by Quarter and Fiscal Year, 1981-1985
[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes[1]	Corporation income taxes[2]	Excise taxes[3]	Employment taxes[4]	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1981 TOTAL	63,302	48,409	13,294	343	1,114	143
October 1980 - December 1980	4,215	971	3,047	49	116	32
January 1981 - March 1981	21,988	18,285	3,687	76	-99	39
April 1981 - June 1981	30,352	26,027	3,160	163	967	34
July 1981 - September 1981	6,749	3,125	3,400	55	128	40
FISCAL YEAR 1982 TOTAL	75,202	55,102	17,974	367	1,578	181
October 1981 - December 1981	5,530	1,347	3,920	42	185	37
January 1982 - March 1982	24,024	19,338	4,197	76	377	36
April 1982 - June 1982	35,793	30,481	4,298	162	796	54
July 1982 - September 1982	9,855	3,936	5,559	86	220	53
FISCAL YEAR 1983 TOTAL	89,761	61,198	26,012	492	1,849	208
October 1982 - December 1982	9,411	1,875	7,030	58	397	52
January 1983 - March 1983	23,928	16,548	6,838	108	372	62
April 1983 - June 1983	46,715	38,341	7,421	194	721	38
July 1983 - September 1983	9,705	4,434	4,723	132	359	56
FISCAL YEAR 1984 TOTAL	85,872	64,629	17,889	657	2,486	211
October 1983 - December 1983	7,201	2,064	4,548	195	325	69
January 1984 - March 1984	25,285	19,613	4,850	129	646	47
April 1984 - June 1984	44,859	38,161	5,452	230	968	47
July 1984 - September 1984	8,527	4,790	3,039	103	547	48
FISCAL YEAR 1985 TOTAL	86,320	66,908	16,725	892	1,605	190
October 1984 - December 1984	6,729	2,246	4,177	122	138	46
January 1985 - March 1985	17,664	12,808	4,286	91	439	40
April 1985 - June 1985	52,376	46,370	4,701	556	702	47
July 1985 - September 1985	9,551	5,484	3,561	123	326	57

See notes following Table 13.

Table 11.—Classes of Excise Taxes by Selected Fiscal Year, 1970-1985
[Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by fiscal year					
	1970	1975	1980	1982	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL TAXES, TOTAL	4,746,382	5,350,858	5,704,768	5,459,810	5,402,467	5,398,100
Distilled spirits	3,501,538	3,865,162	3,945,377	3,634,519	3,566,482	3,520,697
Wine	163,337	177,113	211,538	218,987	319,920	305,966
Beer	1,081,507	1,308,583	1,547,853	1,606,303	1,516,064	1,571,436
TOBACCO TAXES, TOTAL	2,094,212	2,315,090	2,446,416	2,539,495	4,663,610	4,483,193
Cigarettes	2,036,101	2,261,116	2,402,857	2,499,046	4,623,288	4,448,916
Cigars	56,834	51,226	39,500	35,666	30,372	24,294
MANUFACTURERS EXCISE TAXES, TOTAL	6,683,061	5,516,611	6,487,421	6,382,900	^{r}10,107,930	10,020,574
Gasoline and lubricating oil[1]	3,517,586	4,071,465	4,326,549	4,320,856	9,020,413	9,062,630
Tires, tubes and tread rubber[2]	614,795	697,660	682,624	668,902	423,315	242,923
Motor vehicles, bodies, parts[3]	1,753,327	662,556	1,088,696	914,524	-14,777	N/A
Recreational products	53,427	84,946	136,521	158,054	132,448	166,666
Black Lung taxes	N/A	N/A	251,288	237,097	525,422	548,356
SPECIAL FUELS, AND RETAILERS TAXES, TOTAL[4]	257,820	404,187	560,144	587,486	^{r}2,579,747	3,802,608
Diesel and special motor fuels	257,712	370,489	512,718	553,107	1,571,437	2,430,165
Trucks and buses	N/A	N/A	N/A	N/A	932,645	1,289,750
MISCELLANEOUS EXCISE TAXES, TOTAL	2,084,730	3,306,077	6,359,198	19,773,803	^{r}13,319,322	11,044,833
Telephone and teletype[5]	1,469,562	2,023,744	1,117,834	998,503	2,034,965	2,307,607
Air transportation	250,802	850,567	1,748,837	1,326,829	2,456,712	2,589,818
Highway use tax	135,086	207,663	263,272	266,225	175,054	456,143
Foreign insurance[6]	8,614	19,458	74,630	74,882	56,037	73,494
Exempt organization net investment income	N/A	63,828	65,280	84,045	146,806	136,153
Crude oil windfall profit	N/A	N/A	3,051,719	16,930,548	8,120,274	5,073,159
Environmental taxes (Superfund)	N/A	N/A	N/A	61,264	275,389	272,957

Selected class of tax	Fiscal year quarter ending					
	June 1984	Sept. 1984	Dec. 1984	Mar. 1985	June 1985	Sept. 1985
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL TAXES, TOTAL	1,349,855	1,441,480	1,298,724	1,239,795	1,238,983	1,620,598
Distilled spirits	880,320	867,837	888,691	859,709	752,229	1,020,068
Wine	60,189	107,108	109,603	60,328	58,927	81,341
Beer	409,346	466,535	300,430	319,758	427,826	519,189
TOBACCO TAXES, TOTAL	1,126,564	1,233,254	727,357	1,601,544	914,703	1,239,589
Cigarettes	1,116,732	1,222,152	719,345	1,593,363	907,627	1,228,581
Cigars	7,682	8,069	5,384	5,683	4,261	8,966
MANUFACTURERS EXCISE TAXES, TOTAL	2,327,656	^{r}2,247,879	2,551,347	2,547,693	2,651,955	2,299,302
Gasoline and lubricating oil[1]	2,107,117	2,242,842	2,300,865	2,321,565	2,389,356	2,050,740
Tires, tubes and tread rubber[2]	50,255	51,343	51,738	51,885	64,634	74,666
Motor vehicles, bodies, parts[3]	-3,496[7]	-218[7]	-2,325[7]	-236[7]	3,744	N/A
Recreational products	34,887	38,007	44,031	23,944	56,960	41,750
Black Lung taxes	136,044	139,651	152,577	138,546	125,087	132,146
SPECIAL FUELS AND RETAILERS TAXES, TOTAL[4]	632,227	^{r}749,072	895,374	925,877	1,001,597	1,007,787
Diesel and special motor fuels	379,273	404,819	548,487	583,945	631,603	666,130
Trucks and buses, chassis, bodies, etc.	224,099	325,269	318,282	312,982	340,502	317,985
MISCELLANEOUS EXCISE TAXES, TOTAL	3,349,216	^{r}2,781,807	2,671,019	1,816,894	2,751,198	3,747,992
Telephone and teletype[5]	333,386	625,417	521,220	530,468	649,170	606,749
Air transportation	592,508	677,897	647,672	640,055	683,413	618,678
Highway use tax	37,495	60,048	103,260	49,293	78,167	225,423
Foreign insurance[6]	15,241	16,964	18,876	14,958	20,462	19,197
Exempt organization net investment income	58,289	54,794	14,655	11,537	58,396	51,566
Crude oil windfall profit	2,236,882	1,245,871	1,289,421	498,450	1,189,069	2,096,218
Environmental taxes (Superfund)	69,530	76,658	70,415	65,902	65,458	71,182

See notes following Table 13.

Table 12.—Selected Returns and Forms Filed During Selected Calendar Years, 1970-1985

Type of return or form	Calendar Year						
	Number Filed						1986 Projected
	1970	1975	1980	1983	1984	1985 (Preliminary)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual income[1]	77,281,384	84,026,785	93,194,916	95,701,801	96,651,754	101,093,500	104,134,600
Form 1040	77,143,251	61,450,279	55,360,030	59,580,123	61,185,893	65,280,000	66,931,000
Nonbusiness	68,129,351	51,377,153	43,957,141	46,631,876	47,411,432	51,445,000	52,261,000
Business	9,013,900	10,073,126	11,402,889	12,948,247	13,774,461	13,836,000	14,670,000
Schedule C	6,351,304	7,438,968	8,944,298	10,507,205	11,326,739	11,457,283	12,147,000
Schedule F	2,662,596	2,634,158	2,458,591	2,441,042	2,447,722	2,378,717	2,522,100
Form 1040A	N/A	22,462,776	37,692,282	21,045,266	19,590,110	18,950,000	19,837,000
Form 1040EZ	N/A	N/A	N/A	14,915,949	15,720,860	16,700,000	17,208,000
Corporation income:							
Form 1120	1,487,244	1,705,789	2,030,092	2,461,461	2,453,162	2,174,600	2,666,600
Form 1120A	N/A	N/A	N/A	N/A	N/A	383,800	400,000
Form 1120S	248,936	367,219	528,070	616,719	653,640	753,700	789,800
Partnership, Form 1065	991,904	1,132,839	1,401,567	1,613,493	1,675,605	1,782,200	1,854,800
Fiduciary, Form 1041[2]	1,149,445	1,558,570	1,876,392	2,019,483	2,021,954	2,061,800	2,088,900
Estate Tax, Forms 706 and 706NA	141,156	225,827	147,303	106,409	81,334	67,200	48,300
Gift Tax, Form 709	146,338	273,184	214,389	93,260	88,991	95,200	109,400
Exempt Organization:							
Form 990[3]	377,030	346,627	362,632	344,216	319,859	333,500	340,100
Form 990-PF	N/A	29,637	33,137	33,232	29,107	29,300	29,600
Form 990-T	5,041	19,683	23,455	25,598	25,115	26,900	27,700

See notes on following Table 13.

Table 13.—Taxpayers Receiving Assistance, Paid and Unpaid, by Tax Year of Return, 1982-1984 [Some estimates are based on samples—all data are in thousands]

Type of assistance	Tax Year		
	1982	1983	1984
	(1)	(2)	(3)
Returns with paid preparer signature[1]:			
All returns	42,116	43,258	48,343
1040EZ	426	694	886
1040A	5,701	5,144	4,773
1040, total	35,987	37,421	42,684
1040 Business, total	9,191	9,563	12,203
Nonfarm	7,363	7,764	9,640
Farm	1,828	1,800	2,563
1040 Nonbusiness, total	26,796	27,858	30,481
With itemized deductions	15,334	16,475	20,197
Without itemized deductions	11,462	11,383	10,284
Assistance provided by IRS[2]:			
Telephone inquiries	39,863	42,212	41,904
Recorded telephone information	1,855	3,406	8,307
Office walk-ins, information	8,586	8,963	8,144
Written inquiries	148	163	160
Special programs:			
Community classes and seminars (taxpayers assisted)	40	313	400
Volunteer Income Tax Assistance (VITA) (returns prepared)	266	285	295
Tax Counseling for the Elderly (returns prepared)	145	185	199

See notes on following page.

General notations

N/A - Not applicable

n.a. - Not available

p - Preliminary

r - Revised

Table 1

[1] The 1981 data for interest and dividends are before exclusion. The combined amount in adjusted gross income (after the exclusion) was $178,097,705,000, reported on 34,144,410 returns.

[2] Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amounts on nonitemized returns.

[3] Includes surcharge of $2,018,078,000.

[4] Includes credits not shown separately below.

[5] For 1981 only, this was the 1.25 percent rate reduction credit applicable to all returns with income tax before credits.

[6] For Tax Year 1983, the alternative minimum tax was revised and the minimum tax was abolished. The revised alternative minimum tax starting with 1983 covered many of the tax preference items that had previously been subject to the minimum tax. Also, the alternative minimum tax rate was increased. (For 1983 and 1984, data on the former minimum tax could be reported on prior-year returns processed during the current-year filing period).

SOURCE: *Statistics of Income--Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 2

[1] Includes exemptions for age and blindness.

[2] Totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. For purposes of Table 2:

a. Number of returns by state include, in addition to Forms 1040, 1040A and 1040EZ filed by U.S. citizens and residents, Forms 1040NR filed by nonresident aliens, as well as self-employment tax returns used in Puerto Rico and certain U.S. territories and possessions.

b. "Total tax" liability includes total income tax plus tax from recomputing prior-year investment credit, tax applicable to Individual Retirement Arrangements (IRA's), self-employment tax, social security tax on tip income, and certain other income-related taxes. Total tax is before reduction by earned income credit (see also footnote (c), below).

c. Earned income credit, available to certain low-income workers, could result in a refund (1) if there was no "total tax" (as defined in footnote (b), above), in which case the full amount was refundable, or (2) if the credit exceeded "total tax," in which case the excess was refundable. The difference between columns 19 and 21 is the refundable portion.

Total tax (column 16) minus earned income credit (column 21) is the amount most comparable to total tax in Tables 1 and 3. The total tax which results from this subtraction differs from Tables 1 and 3 because it includes additional taxes (see footnote (b), above) and because earned income credit used to offset tax (column 21) also includes amounts offset against these additional taxes.

[3] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by servicemen and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1985. Data have not been edited for Statistics of Income purposes.

SOURCE: Internal Revenue Service, Software Division, IMF Returns Systems Branch.

Table 3

[1] Includes income tax after credits and the additional tax for tax preferences, i.e., minimum tax and alternative minimum tax.

[2] For many taxpayers in this size class includes additional tax for tax preferences not included in "taxable income."

SOURCE: Statistics of Income--Individual Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 4

[1] Includes breakeven businesses.

SOURCE: Statistics of Income--Sole Proprietorship Returns, appropriate years, and SOI Bulletin, Summer issues. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 5

[1] Total assets, total liabilities and partners' capital account are somewhat understated because not all partnership returns included a complete balance sheet.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year.

[3] Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more. In addition, for Tax Year 1975, long-term debt included nonrecourse loans.

[4] See footnote 4 Table 6, for changes in the comparability of the statistics for receipts and deductions starting with 1981. Also, statistics for interest received are combined with dividends beginning with 1982.

[5] Beginning with 1981, represents the more all-inclusive amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (plus depreciation identified in cost of sales and operations schedules).

SOURCE: Statistics of Income--Partnership Returns, appropriate years, and SOI Bulletin, Summer issues. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 6

[1] Size classes are based on business receipts, i.e., gross amounts from sales and operations, for industries except finance, insurance and real estate. For the latter industries, total receipts, which is the sum of business receipts and investment income, was used. For partnerships, see also footnote 3, below.

[2] Includes returns with no receipts as defined in footnote 1.

[3] Includes corporations with zero assets and liabilities.

[4] Beginning with 1981, "total receipts" in Table 5 includes, in part, only the net income or loss from farming and rentals. Previously, "total receipts" included the gross receipts from farming and rentals and, if rental receipts were the principal source of total receipts, they were treated as "business receipts" for the statistics. To help minimize the break in comparability caused by this change in statistical treatment of farm and rental income, an effort was made for 1981-82 to include rental (though not farm) gross receipts in the receipts used for the size distribution in Table 6.

In Table 5, since only the net income or loss from farming and rentals was included starting with 1981, the deductions reported in computing these net incomes are excluded from the deduction statistics. For previous years, these deductions are reflected in the deduction statistics.

[5] Prior to 1979, partnerships that had liquidated were assumed to have zero assets and liabilities, even if their balance sheets showed otherwise, and were included in the "under $25,000" asset size class. Beginning with 1980, balance sheet data reported for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years, Statistics of Income--Partnership Returns, appropriate years, Statistics of Income--Sole Proprietorship Returns, appropriate years, and SOI Bulletin, Summer issues. Tax law changes affect the year-to- year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Table 7

[1] Includes additional tax for tax preferences (minimum tax), tax from recomputing prior year investment credit and Personal Holding Company tax.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Table 8

[1] Net capital assets, except land, consists of depreciable, depletable, and intangible assets less accumulated depreciation, depletion and amortization.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year. Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more.

[3] Consists of regular and alternative tax. Tax Year 1970 includes surcharge of $784,437,000.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Tables 9 and 10

[1] Individual income tax collected includes that portion which was designated for the presidential election campaign fund by taxpayers on their returns. Also included is the fidiciary income tax collected (from estates and trusts). Fidiciary income tax collected was $2.9 billion in 1984, $2.7 billion in 1983, $2.6 billion in 1982 and $2.2 billion in 1981. Presidential election campaign designations amounted to $34.8 million in 1984, $35.5 million in 1983, $39.0 million in 1982, and $41.0 million in 1981.

[2] Corporation income tax collected includes the tax on "unrelated business income" of tax-exempt organizations. Unrelated business income tax collected was $50.0 million (1984), $45.1 million (1983), $64.7 million (1982), and $41.0 million (1981).

[3] Excise taxes are imposed on selected products, services and activities, such as those on alcohol and tobacco products and the windfall profit tax on domestically-produced crude oil.

[4] Employment taxes include payroll taxes levied on salaries and wages, such as social security, railroad retirement and unemployment taxes; plus the self-employment tax imposed on "self-employment income".

NOTES: Collections (or refunds) are those made during the time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

Collections represent the gross amounts before refunds and include amounts paid with the return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of examination and enforcement activities). Collections also include interest and penalties.

Refunds result chiefly from tax overpayments determined at time of filing a return. Included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those produced by "net operating loss" and other carryback adjustments from future taxable years); or as a result of initial return processing or of examination and other activities. Individual income tax refunds are net of offsets under a law which requires IRS to act as collection agent for state welfare agencies so that these agencies can be reimbursed for the support they furnished through Aid to Families with Dependent Children (AFDC) programs. All refund data include interest paid by IRS.

Detail may not add to totals because of rounding.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Table 11

[1] Includes a one-time tax of 5 cents per gallon on gasoline and 4 cents per gallon on gasohol imposed on inventories of dealers as of April 1, 1983. Taxes on lubricating oil were repealed effective January 5, 1983.

[2] Effective January 1, 1984, taxes on tubes and tread rubber were repealed, and dealers holding taxable tires were assessed a one-time floor stock tax.

[3] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, motor vehicles are excluded.

[4] Special fuels, total includes diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Beginning with the quarter ending December 1983, motor vehicles are included.

[5] Effective January 1, 1983, the excise tax increased from 1 percent to 3 percent.

[6] The negative amounts are due to refunds of this tax under the United States - United Kingdom Income Tax Treaty, which provides for an exemption from the tax retroactive to January 1, 1975. Also, a similar United States - France treaty provides for an exemption retroactive to January 1, 1979.

[7] This amount reflects adjustments made for prior quarters.

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. For 1980-84, the fiscal year was defined as October of the previous calendar year through September of the year noted.

Additional detail is published in the Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Table 12

[1] Includes Forms 1040C, PR and SS.

[2] Includes Form 1041A in 1970 and 1975.

[3] Includes Form 990A in 1970.

SOURCE: Internal Revenue Service, Research Division, Projections and Forecasting Group.

Table 13

[1] 1984 projections are based on converting 1984 Taxpayer Usage Study sample (TPUS) to the equivalent of the Statistics of Income (SOI) sample. This was done because the TPUS sample represents returns filed through April, while the SOI sample represents all individual income tax returns filed for a calendar year. For additional information about the TPUS sample, see the Summer 1985 issue of the SOI Bulletin.

[2] Data on IRS Taxpayer Service Programs are collected on a fiscal-year basis. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during the fiscal year and are for the tax year ending with the previous December. Therefore, data in Table 13, which are presented on a tax year basis are actually for a fiscal year, e.g., data shown as for Tax Year 1982 are actually for Fiscal Year 1983.

NOTE: Data on IRS assistance represent taxpayer contacts. Some taxpayers make more than one contact. The number of taxpayers assisted (in contrast to the number of contacts made) is not known.

SOURCE: Data on paid preparers obtained from Statistics of Income and Taxpayer Usage Study samples. Data on IRS assistance were compiled by the Taxpayer Service Division.

Appendix

General Description of Statistics of Income Sample Procedures and Data Limitations

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI publications (see References). More technical information is available, upon request, from the Statistics of Income Division.

SAMPLE CRITERIA AND SELECTION OF RETURNS

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. The samples are based on such criteria as: principal business activity; presence or absence of a schedule; State from which filed; size of adjusted gross income (or deficit) or largest of specific income (or loss) items; total assets or size of business and farm receipts.

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of one percent to one hundred percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints on the allowable total cost or total sample size for the program.

For most SOI studies, returns are computer designated based on the Taxpayer Identification Number (TIN) which is either the Social Security Number (SSN) or Employer Identification Number (EIN). In some cases, the ending digits of each TIN are compared to a set of numbers randomly selected for each sample class. If the TIN ending digits are in the set, then the return is designated for the sample. Otherwise, it is not designated.

Alternatively, a fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for the return's sample stratum, then it is designated. Otherwise, it is not.

Under either method of selection, the TIN's designated from one year's study are for the most part selected for the next study, so that a large proportion of the new sample are repeaters. This longitudinal character of the sample design improves the estimates of change from one study to the next.

METHOD OF ESTIMATION

In general, weighting factors are obtained by dividing the computer count of returns filed for a sample stratum by the actual number of returns secured for the sample. These weighting factors are then used to inflate the sample results to total population levels. During sampling, lists of the returns designated are checked against the returns secured for the sample to insure that the sample designated is the same as the sample selected. Special searches are made for returns not initially secured so that any bias from nonresponse is minimal.

For the individual income tax returns sample, weighting factors are computed for each sample class within each Internal Revenue district, even though the district is not used to designate the sample. This is an example of post-stratified estimation and is used to improve the estimates for the States. Usage of post-stratified estimation is being studied for other SOI studies.

SAMPLING VARIABILITY

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples would usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68% confidence interval estimate:

150,000	(sample estimate)
x 0.02	(coefficient of variation)
= 3,000	(standard error of estimate)
150,000	(sample estimate)
+ or - 3,000	(standard error)
= 147,000 - 153,000	(68% confidence interval)

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95% confidence, multiply the standard error by two before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained on request by writing to the Statistics of Income Division, D:R:S, Internal Revenue Service, Washington, DC 20224.

NONSAMPLING ERROR CONTROLS AND LIMITATIONS

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling errors, there are other sources of errors which may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, early cut-off of sampling, etc. More extensive information on nonsampling errors is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Missing entries are inputed during statistical processing by utilizing other information on the return and accompanying schedules. Data may be disaggregated and recombined during editing to achieve consistent statistical definitions. In the future, SOI studies will make use of earlier returns of the same taxpayer to check current data, for instance the industry code. Also, research on better methods of imputing missing data is being conducted.

Quality of the basic data abstracted at the processing centers is controlled by a continuous sampling verification system. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically processed returns as a further check. Prior to tabulation, numerous computer tests are applied to each return record to check for inconsistencies.

Finally, before publication, all statistics are reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

TABULAR CONVENTIONS

Estimates of frequencies and money amounts that are considered unreliable, due to the small sample size on which they are based, are noted by an asterisk (*) to the left of the data item(s) in the tabulations. The presence of an asterisk indicates that the sample rate is less than 100 percent of the population and there are fewer than 10 sample observations available for estimation purposes.

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash in place of a coefficient of variation for which there is an estimate indicates that all returns contributing to the estimate were selected at the 100 percent rate.

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses. These combinations and deletions are indicated by a double asterisk (**).

REFERENCES

[1] Statistics of Income--1982, Individual Income Tax Returns (see especially pages 15-18).

[2] Statistics of Income--1981, Corporation Income Tax Returns (see especially pages 9-15).

[3] Statistics of Income--1980, Partnership Returns (see especially pages 5-7).

[4] Statistics of Income--1981, Sole Proprietorship Returns (see especially pages 5-9).

[5] Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns (see especially pages 13-15 and 85-87).

[6] Statistics of Income--1973, Sales of Capital Assets Reported on Individual Income Tax Returns (see especially pages 17-20).

[7] Statistics of Income--1976 Estate Tax Returns (see especially pages 11-12).

[8] Statistics of Income--1974-1978, Private Foundations (see especially pages 9-16).

Form **6839** (Rev. 1-86)
Department of the Treasury
Internal Revenue Service

USER SURVEY
SOI BULLETIN Winter 1985-86

Please take a few moments to answer the following questions concerning this *Statistics of Income* publication. Your responses will enable us to direct our efforts to meeting the needs of our users. After indicating your responses, please cut, tape, and mail. No postage or envelope is required. Thank you for your cooperation.

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☐ Individual Income Taxes, 1984
☐ Corporation Income and Taxes, 1983
☐ Nonprofit Charitable Organizations, 1982
☐ Individual Income Tax Rates, 1983
☐ Private Activity Tax-Exempt Bonds, 1984
☐ Sales of Capital Assets, 1981 and 1982
☐ Windfall Profit Tax, First Quarter 1985
☐ Selected Statistical Series, 1970-85

4. Which table(s) in the Selected Statistical Series did you find helpful to your needs?

☐ Individual income tax returns
☐ Income and tax data by state
☐ Individual average tax rates
☐ Sole proprietorship returns
☐ Partnership returns
☐ Business returns
☐ Corporation industry statistics
☐ Corporation income tax returns
☐ Gross Internal Revenue collections
☐ Internal Revenue refunds
☐ Classes of excise taxes
☐ Number of returns filed
☐ Taxpayers receiving assistance

5. If microdata files on computer tape were available in these subject matter areas, would you be interested in purchasing them?

☐ Yes ☐ No

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Statistics of Income

SOI BULLETIN

Department of the Treasury
Internal Revenue Service

Volume 5, Number 4 Spring 1986

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Statistics of Income

SOI BULLETIN

Department of the Treasury
Internal Revenue Service

Publication 1136 (Rev. 4-86)

Roscoe L. Egger, Jr.
Commissioner

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Associate Commissioner
(Data Processing)

Henry H. Philcox
Acting Assistant Commissioner
(Returns and Information Processing)

Fritz Scheuren
Director, Statistics of Income Division

The SOI Bulletin provides the earliest published annual financial statistics from various types of tax and information returns filed with the Internal Revenue Service. It also includes information from periodic or special analytical studies of particular interest to tax administrators. In addition, historical data are provided for selected types of taxpayers, as well as the gross internal revenue collections and other tax related items.

Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division, D:R:S, Internal Revenue Service, Washington, DC 20224.

In addition, special Statistics of Income tabulations based on income tax returns can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

Ralph B. Bristol, Jr., Chief, Tax Statistics, Office of Tax Analysis performed the overall policy review and provided comments. For this issue, he was assisted by Daniel J. Frisch and Geraldine Gerardi. Robert A. Wilson and Bettye Jamerson were the technical editors of the publication.

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COMMISSIONER OF INTERNAL REVENUE
Washington, DC 20224

April 21, 1986

The Honorable James A. Baker, III
The Secretary of the Treasury
Washington, DC 20220

Dear Mr. Secretary:

I am transmitting the Spring 1986 issue of the Statistics of Income Bulletin. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws. Presented in this issue are recent financial and tax data obtained from tax returns and associated supporting schedules.

With kind regards,

Sincerely,

Roscoe L Egger Jr

Department of the Treasury Internal Revenue Service

Articles in Preparation for Upcoming Issues

- — Taxpayer Usage of Forms 1040, 1040A and 1040EZ, 1985
- — Sole Proprietorship Returns, 1984
- — Partnership Returns, 1984
- — Controlled Foreign Corporations by Industry, 1983
- — U.S. Possessions Corporations, 1985
- — Estates, 1982-84

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A description of a series of new statistical services introduced by the SOI Division beginning in 1985 is provided. Information on SOI projects and primary contacts are also included.

Foreign Tax Credit by Industry, 1982 9

By Mary E. Barlow

For 1982, U.S. corporations with overseas operations credited $18.9 billion of foreign income taxes against $86.8 billion of U.S. income taxes.

High-Income Returns, 1983 31

By Allen H. Lerman

For 1983, there were 198,608 tax returns with AGI of $200,000 or more. Of these, 447 reported no U.S. income tax, and 321 had no worldwide tax liability.

An Analysis of Partnership Activity, 1981-83 63

By Lowell Dworin

A closer analysis of recent partnership statistics shows that after certain adjustments are made for income and expenses not includable in partnership net income, a more complete picture of the impact of tax shelter activities is revealed.

Environmental Taxes, 1981-84 75

By Rashida Belal

Through December 1984, a total of $978 million in environmental excise taxes was reported for the funds established under the Comprehensive Environmental Response, Compensation and Liability Act of 1980. Of this amount, $644 million was for petrochemicals.

More Preliminary Individual Income Statistics, 1984 83

By David Barker and Marshall Epstein

A continuation of the preliminary individual income tax returns statistics for 1984 published in the Winter 1985-86 issue of the SOI Bulletin, the data show that itemized deductions for interest and taxes paid each increased by more than 15 percent over 1983.

Crude Oil Windfall Profit Tax, Second Quarter 1985 89

By Edward Chung

For the second quarter of 1985, the number of barrels of domestically-produced crude oil subject to the windfall profit tax was 474 thousand, down from 614 thousand the quarter before. As a result, the tax continued its long decline, from $1.7 million to $1.5 million.

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New SOI Statistical Services, 1985-86

By Bettye Jamerson*

The mission of the Statistics of Income (SOI) Division is to compile and publish statistical data about Federal tax laws (as required by section 6108 of the Internal Revenue Code). The SOI program provides annual financial and tax data obtained from the principal tax returns, as well as more detailed data (usually periodic) from supplemental schedules and other tax returns.

Beginning in 1985 the SOI Division introduced a series of new statistical services. This article describes the new statistical services, publications, and other continuing services available. Information on SOI projects and primary contacts are also included.

More detailed information on these statistical services than is described below can be obtained by writing to the Director, Statistics of Income Division, Internal Revenue Service, 1111 Constitution Ave., N.W., Washington, D.C. 20224.

YES, SOI HAS SEVERAL NEW STATISTICAL SERVICES...
INTERNAT'L INCOME AND TAXES 1979-83
1983 INDIVIDUAL INCOME TAX RETURNS
PARTNERSHIP RETURNS
1978 1982
PUBLIC-USE TAPES
SOI SERVICES
SPECIAL TABLES

NEW STATISTICAL SERVICES

As mentioned above, the SOI Division has introduced several new statistical services. These tailored services are in response to numerous requests for more detailed and previously unpublished information tabulated from U.S. income tax returns filed by corporations, individuals, estates, and others.

International Income and Taxes

Subscribers to this service will receive a copy of a 516 page report, Compendium of Studies of International Income and Taxes, 1979-83, (Publication 1267) and information on 13 international studies as it becomes available [1].

These studies deal mostly with the foreign activity of U.S. corporations, the U.S. activity of foreign corporations, and the worldwide activity of U.S. corporations owned by foreign interests. Other studies deal with U.S. possessions corporations, international boycott participation, foreign trusts, nonresident alien estates, nonresident alien income and tax withheld, and certain foreign activities of U.S. individuals. Some studies are conducted annually, while others are conducted every 2 to 4 years.

The price of this service is $45. It includes Publication 1267 and additional information for a year, as it becomes available. In addition to new material, the Compendium contains information previously available only in several separate publications. The 1-year period for receiving additional information can be extended at a cost of $35 for each additional year. A long-term subscription ($150) includes Publication 1267 and additional information as it becomes available through August 1990. The next Compendium is scheduled for release in September 1990.

The primary contact person for information regarding this service is Jim Hobbs (202) 376-0177.

Individual Income Taxes

Subscribers to this service will receive a copy of Individual Income Tax Returns, 1983, which contains final tabulations for 1983. Preliminary information on 1984 and 1985 returns will also be provided as part of this service.

---

*Coordination and Publications Staff. Prepared under the direction of Robert Wilson, Team Leader.

The 1983 information is contained in a 115 page report presenting data on returns filed, sources of income, adjusted gross income (AGI), exemptions, itemized deductions, and tax computations. A brief text highlights the requirements for filing, changes in law, and limitations of the data. In addition, definitions of terms used in the tabulations and copies of tax forms are also included.

Preliminary 1984 and 1985 information will be provided to subscribers as it becomes available throughout the year. Subscriptions are $20 per year.

Individual Tax Model Files are also available from the SOI Division [2]. These microdata files consist of detailed information taken from a systematic, stratified sample of actual individual tax returns, edited, however, to prevent identification of individual taxpayers. The primary uses made of these Files have been to simulate the administrative and revenue impact of tax law changes, as well as to provide general statistical tabulations relating to sources of income, itemized deductions, and taxes reported by individuals.

The price of the 1983 Tax Model File is $2,150. General description booklets for the Tax Model Files for 1983 and prior years are available without charge from the SOI Division.

The primary contact person for information regarding the individual income tax return statistical service is Susan Hostetter (202) 376-0083. Information regarding the Tax Model Files is available from Peter Sailer (202) 376-0081.

Partnership Returns

Subscribers to this service will receive a 314 page report presenting previously unpublished data for 1980, 1981, and 1982 (as well as data previously issued in other publications), a discussion of historical trends on partnerships, and an article on partnership employment and payroll for 1979. Data for each year are classified by industry, number of partners, and the state in which the partnership is located. Other tables contain detailed data on partnership balance sheets, data on limited partnerships, and data classified by size of total assets.

Subscribers to this service also will be provided with updated information for 1983 and 1984 when it becomes available and will also be notified of future statistical releases relating to partnership returns. The cost of the service is $22 per year. The primary contact person for information regarding this service is Tom Petska (202) 376-0761.

Tax-Exempt Organizations

Subscribers to this service will receive a copy of a compendium on tax-exempt organizations that is being prepared and will be available in the fall of 1987. It will contain reprints of all articles and research papers published on these topics (enhanced by a more detailed analysis of quality and nonsampling issues, reprints of tax forms, more specialized tables, and an explanation of terms). Future compendiums will be released every 5 years.

Subscribers to this service also will be provided with updated information on exempt organizations as it becomes available. Subscriptions are $35 per year. The primary contact person for information regarding this service is Mike Alexander (202) 376-0199.

Small-Area Data

This service includes data on number of individual income tax returns, exemptions, and AGI, presented by state, county, and Standard Metropolitan Statistical Area (SMSA), as well as information on persons who moved from one location to another based on addresses reported on the returns. Tabulations available are:

- "County Migration Flow Data" for Calendar Years 1978-80, 1980-81, 1981-82, 1982-83, and 1983-84 which show for each county both from what county in-migrants moved and to what county out-migrants moved. Tapes for the entire country are available at a cost of $120 for each of the time periods indicated above.
- "County Migration Data" for Calendar Years 1980-82 and 1982-83, which show the number of in-migrants, out-migrants, and nonmigrants. Tapes for the entire country are available at a cost of $75.
- "County Income Data" for Tax Year 1982, which provides AGI, wages and salaries, interest, dividends, and rents for each county as well as the number of returns and exemptions. A tape for the entire country is available for $120.

The primary contact person for information regarding this service is Peter Sailer (202) 376-0081.

CORPORATION
CORPORATION SOURCE BOOK--1982
FORM 1065
PARTNERSHIP SOURCE BOOK-- 1957-1983
SOLE PROPRIETORSHIP SOURCE BOOK

BUSINESS SOURCE BOOKS

The SOI Division offers three "source books." In addition to the Corporation Source Book, two new products have been developed, one for partnerships and the other for sole proprietorships.

Corporation Source Book, 1926-82

The Corporation Source Book provides detailed industry data for active corporations. For most years through 1982, it contains income statement and balance sheet data categorized by more detailed industry groups than are used in the published SOI and also by size of total assets.

For 1982, the 481 page Source Book (Publication 1053) is available for $175. Microfilm (35-mm) covering all industries are also available at $175. A magnetic tape containing the tabular statistics for 1982 can be purchased for $1,500.

Corporation Source Books for years before 1982 are also available from the SOI Division. A more comprehensive description of the annual Source Book, which includes lists of the industry groups used for these years, and information on how to obtain single-industry data is available without charge from the SOI Division. Pricing information is also included [2].

The primary contact person for information regarding the Corporation Source Book is Karen Cys (202) 376-0102.

Partnership Source Book, 1957-83

This Source Book shows key partnership data for 1957 through 1983, by detailed industry groupings. It includes a historical definition of terms and legislative changes affecting partnerships during that period. Purchasers of this service will also be advised of the release of subsequent years' data.

Subscriptions are $30 per year. A magnetic tape containing the tabular statistics can be purchased for $200. The primary contact person for information regarding this Source Book is Tom Petska (202) 376-0761.

Sole Proprietorship Source Book, 1957-84

The Sole Proprietorship Source Book is being prepared and will be available later in 1986. It is a companion to that for partnerships and will include data on number of returns; business receipts; interest paid, depreciation and taxes-paid deductions; payroll; and net income.

Subscription price will be announced. As with partnerships, there will also be a magnetic tape version. The primary contact person for information regarding this Source Book is Peter Sailer (202) 376-0081.

SOI BULLETIN
(QUARTERLY)
INTERNAL REVENUE SERVICE
STATISTICS OF INCOME--1982 CORPORATION INCOME TAX RETURNS

OTHER PUBLICATIONS AND SERVICES [3]

The Statistics of Income (SOI) Bulletin (Quarterly) -- Publication No. 1136 - Subscription price, $20; single-copy price, $5.50.

The SOI Bulletin provides the earliest published financial statistics from the various types of tax and information returns filed with the Internal Revenue Service. The Bulletin also includes information from periodic or special analytical studies of particular interest to tax administrators and economists.

Statistics of Income--1982, Corporation Income Tax Returns, Publication No. 16 -- Price $6.

This report contains detailed information on receipts, deductions, net income, income tax liability, tax credits, and distributions to stockholders. Information is classified by industry and size of total assets or business receipts.

Other Services
(Prices depend on requests)

Unpublished tabulations based on SOI data are also available. Prices depend on the nature of the request. Included are detailed tables underlying those published in the SOI Bulletin as well as in other SOI publications.

Special tabulations also can be specifically produced to a particular user's specifications. Some recent special tabulations that have been produced to fulfill requests from various organizations are special tabulations on average deductions requested by a private accounting firm; sole proprietorship data by sex for the Small Business Administration, Office of Women's Business Ownership; and individual income tax return data on contract construction workers for another private accounting firm.

NOTES AND REFERENCES

[1] SOI published reports offered as part of the statistical services in some instances may be purchased individually from the Superintendent of Documents, U.S. Government Printing Office.

[2] Magnetic tapes of the Individual Tax Model Files for 1966-78 and Corporation Source Book Files for years 1965-79 are available for purchase through the Machine-Readable Archives Branch of the National Archives and Records Service, Washington, D.C. 20408.

[3] Available for purchase from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

CORPORATION STATISTICS BRANCH PROJECTS AND PRIMARY CONTACTS

Project	Frequency	Primary Contacts Area Code (202)	Comments
Corporation Income Tax Returns: 1983 Program 1984 Program 1985 Program	Annual	Victor Rehula (376-0102) David Jordan (376-0102) Tim Wheeler (376-0102)	Basic SOI program covering complete income statement, balance sheet, tax and tax credits, and distributions to stockholders, and details from supporting schedules.
Partnership Returns of Income	Annual	Alan Zempel (376-0761)	Basic SOI program covering income statement, balance sheet, and details from supporting schedules.
Secretary's Percentage Study	Annual	Joe Middough (376-0061)	Data for computation of percentage used in determining income tax liability of foreign life insurance companies with operations in the United States.
Employment Tax Return Studies: Unincorporated Businesses Corporations	Periodic, based on availability of outside funding	Charles Day (376-0761) Bill Gerber (376-0761)	Addition of payroll and employment data to SOI files of corporations, partnerships and sole proprietorships based on linkages with employment tax returns, Forms 941 and 943. Last completed study was for Tax Year 1979.
Partnership Geo-Coding Study	Periodic, based on availability of outside funding	Charles Day (376-0761)	Addition of (Census) geographic code to IRS Master File records of partnership returns for use in tabulations classified by state, county and industry. Last completed study was for Tax Year 1983.
Census-IRS Link Study	Every 5 years	Bertie Brame (376-0762)	A by-product of data provided by IRS for the Economic Census, project involves linking business returns of partnerships and Small Business Corporations to the income tax returns of selected partners and shareholders. The last completed study was for Tax Year 1982.
Partnership Schedule K/K-1 Study	Periodic, based on availability of outside funding	Alan Zempel (376-0761)	An examination of the recognized "gap" between income reported by the partnership and income reported by the partners through a link of Schedules K and K-1 to Forms 1065. Study for 1983 is underway.
Tax Shelter Registration Study	Not yet determined	Tom Petska (376-0761)	The development of a file of Forms 8264, Application for Registration of a Tax Shelter, which will eventually be matched to partnership return data for analysis of "tax shelter" characteristics.
Statistical Subscription Series: Corporation Source Book Partnership Source Book	Annual	Sandy Byberg (376-0102) Gail Moglen (376-0761)	Detailed industry data and other information for sale.

FOREIGN STATISTICS BRANCH (DOMESTIC STUDIES)
PROJECTS AND PRIMARY CONTACTS

Project	Frequency	Primary Contacts Area Code (202)	Comments
Private Foundations	Annual	Peggy Riley (376-0199)	Net worth and various data from the balance sheet and income statement. The sample is longitudinal in design so that essentially the same organizations are observed over time. The last complete study was for 1982.
Other Exempt Organizations	Annual	Cecelia Hilgert (376-0199)	Net worth and various data from the balance sheet and income statement for only those organizations classified as tax exempt under subsection 501(c)(3) of the Internal Revenue Code. The groups covered are religious, educational, scientific, and literary (excluding private foundations). The sample is longitudinal in design so that essentially the same organizations are observed over time. The last complete study was for 1982.
Farmers' Cooperatives	Periodic, based on availability of outside funding	Mike Alexander (376-0199)	The next farmers' cooperative study is planned to coincide with the 1987 Economic Census. The last complete study was for Tax Year 1977.
Estates	Annual	Marvin Schwartz (376-0199) Kathy Medve (376-0199) John Kozielec (376-0199)	Gross estate and its composition, deductions, and tax. Also included is information on the age, sex, and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Other statistics are available on a year-of-death basis (approximately every 3 years). The last complete estate study was for returns filed in 1984.
Personal Wealth	Periodic	Marvin Schwartz (376-0199) Kathy Medve (376-0199)	Estimates of personal wealth are generated based on estate tax return data using the "estate multiplier" technique, using both the filing year and year-of-death estate data bases. The most recent data available are based on returns filed in 1983. Complete data based on individuals who died in 1982 will be available in the summer of 1986.
Estate Collation	Periodic	Marvin Schwartz (376-0199)	Studies link estate data for decedents and beneficiaries. Income information for beneficiaries is available both for years preceding and following the decedent's death. Information on gift tax returns is available for the last 2 years of the decedent's life. The most recent study is based on decedents who died in 1982.
Intergenerational Wealth	One time	Marvin Schwartz (376-0199)	This study, which involves estate returns filed since the inception of that tax (1916), focuses on the changes in the concentration of wealth and the intergenerational transfer of wealth, as well as the history of the estate tax system. The asset composition, available demographic information, and an analysis of beneficiaries of the estates will be emphasized. Information from the first phase of this study (1916-35) will be available in fall 1986.
Fiduciary	Annual	John Kozielec (376-0199)	The next full-scale fiduciary study will cover data on income, deductions, and taxes for 1989. The last complete study was for Tax Year 1982.

FOREIGN STATISTICS BRANCH (FOREIGN STUDIES)
PROJECTS AND PRIMARY CONTACTS

Project	Frequency	Primary Contacts Area Code (202)	Comments
Corporation Foreign Tax Credit: 1982 Program 1984 Program	Biennial	Chris Carson (376-0177) Vergie Mose (376-0177)	Foreign income and taxes paid, and foreign tax credit shown on corporation income tax returns. Data are classified by industry and country.
Controlled Foreign Corporations/Foreign Corporations: 1982 Program (CFC) 1984 Program (FC)	Biennial	Bill States (376-0177) Jeff Hartzok (376-0177)	Activities of corporations which are controlled by U.S. corporations. Data are classified by industry and country.
U.S. Possessions Corporations (1983)	Biennial	Jeff Hartzok (376-0177)	Income statement, balance sheet, tax and possessions tax credit data for "qualifying" U.S. possessions corporations. (Most of these corporations are located in Puerto Rico.)
International Boycott Participation (1984)	Annual	Vergie Mose (376-0177)	Business operations of U.S. persons in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
Nonresident Alien Income and Tax Withheld (1984)	Annual	Maggie Lewis (376-0177) Chris Carson (376-0177)	U.S. source income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
Domestic International Sales Corporations (1984)	Annual, through 1984	Art Gianelos (376-0177)	Balance sheet, income statement, distributions, and export gross receipt data for DISC's. (These corporations were given special tax treatment to promote U.S. exports.)
Interest Charge Domestic International Sales Corporations (IC-DISC): 1984 Program 1985 Program	Annual, beginning with 1984	Art Gianelos (376-0177) Bill States (376-0177)	These corporations replaced the DISC (see above), as of January 1, 1985. Balance sheet, income statement, export-related data will be tabulated.
Foreign Sales Corporations (FSC): 1984 Program 1985 Program	Annual, beginning with 1984	Art Gianelos (376-0177) Chris Carson (376-0177)	These corporations replaced the DISC (see above), as of January 1, 1985. Balance sheet, income statement, and export-related data will be tabulated.
Foreign Trusts (1986)	Every 4 years	Bill Sutton (376-0177)	Foreign trusts that have U.S. persons as grantors, transferors, or beneficiaries. Data include country where trust was created, value of transfer to the trusts, and when trust was created.
Nonresident Alien Estates (1986)	Every 4 years	Bill Sutton (376-0177)	Estates of nonresident aliens who have more than $60,000 of assets in the United States. The estates are subject to U.S. estate taxation on the U.S. property.
Sales of U.S. Real Property Interests by Foreign Persons (1985)	Annual, beginning with 1985	Mary Barlow (376-0177)	Transfers of U.S. real property interests, when these interests are acquired from foreign persons. Data will include amount realized on the transfer, amount of U.S. tax withheld, and country of foreign person.

INDIVIDUAL STATISTICS BRANCH
PROJECTS AND PRIMARY CONTACTS

Project	Frequency	Primary Contacts Area Code (202)	Comments
Individual Income Tax Returns: 1984 Program 1985 Program	Annual	Terry Smith (376-0083) David Barker (376-0083)	Basic SOI program covering income, deductions, credits, and taxes reported on individual income tax returns and associated schedules.
Sole Proprietors: 1984 Program 1985 Program	Annual	Ray Wolfe (376-0083)	Basic SOI program covering the same data provided in the Individual SOI program plus detailed data on business receipts, deductions, and net income reported on Schedule C. Similar data from Schedule F (for farmers) are available every 5 years beginning with 1982.
Taxpayer Usage Study	Annual	Lisa Gross (376-0081)	Basic SOI program providing frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, as well as general characteristics of the individual taxpayer population. Weekly reports are produced during the primary filing season (January through April).
Tax Models	Annual	Michael Strudler (376-0104)	Microdata files consisting of detailed information obtained from the Individual SOI program with identifiable information omitted to make the file available for public dissemination. In addition to microdata files, specific tabulations are produced on a reimbursable basis.
Sales of Capital Assets 1985 Program 1983-87 Panel Study	Every 4 years	Marshall Epstein (376-0083)	Basic SOI program covering the same data provided in the Individual SOI program plus detailed data focused on the sales of capital assets reported on Schedule D, plus sales of residences, sales of personal or business depreciable property, and the computation of installment sale income reported on other return schedules. The 1985 study is now beginning. Results from the 1981 study have been published. The panel study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study; however, data for these taxpayers are obtained over a 5-year period.
Americans Living Aboard	Every 4 years	Dan Holik (376-0083)	Basic SOI program covering the same data provided in the Individual SOI program, plus detailed data on foreign earned income and foreign tax credit.
Individual Matching Studies	As requested	Barry Windheim (376-0081) Charles Crossed (376-0081)	Obtaining IRS Master File data for income, deductions, credits, and taxes for selected groups of taxpayers specified by the sponsor. Requests range from a stripoff of the entire Master File for the Bureau of the Census (as authorized by law) to a tabulation of the data based on specific social security numbers as requested by the Veterans Administration. Unless permitted by law, only tabular output is provided because of disclosure concerns.
Occupation Studies	Periodic, based on availability of outside funding	Patricia Crabbe (376-0104)	A series of studies designed to classify individual income tax returns by occupation and to develop a dictionary of occupation titles that can be used to enhance the economic data of many other studies.
Small-Area Data	Periodic, based on availability of outside funding	Gary Estep (376-0104) Bobby Clark (376-0081)	The development of a program to provide selected tax return information obtained from the IRS Master File system at the county or ZIP Code level. In addition, program provides migration flow data by county.

Foreign Tax Credit by Industry, 1982

By Mary Barlow*

The foreign tax credit claimed by corporations declined for the third consecutive year, to $18.9 billion for 1982 [1]. Many corporations suffered foreign or domestic losses in this year and, therefore, were unable to claim a foreign tax credit. Because of this reduction in foreign income, less tax was paid to foreign countries. These factors resulted in a $2.9 billion decline in credit from 1981. While the foreign tax credit reached an all-time high of nearly $37 billion for 1979, not since 1973 has the credit been under $19 billion.

Although 1.2 million corporations had a U.S. tax obligation for 1982, only 4,941, or 0.4 percent, claimed a credit for foreign taxes [2]. This compares to 6,132 corporations that claimed a foreign tax credit for 1981. While only 38 percent of all corporations claiming a credit were in manufacturing, these corporations accounted for 78 percent of the total credit. Corporations engaged in integrated petroleum activities (i.e., extracting, refining, and also marketing petroleum products) represented a considerable portion (39 percent) of the total credit claimed for 1982.

Foreign-source interest income (excluding interest from foreign branches) rose by nearly 80 percent from 1980 for all corporations that claimed a foreign tax credit [3]. While interest income increased from $12.5 billion in 1980 to nearly $22.5 billion in 1982, nearly all of that increase was attributable to the banking industry [4]. During this period, foreign non-branch interest income in the banking industry more than doubled to $16.6 billion, largely a reflection of high interest rates and increased lending.

Nearly one-fourth ($14.6 billion) of total foreign-source taxable income for 1982 was earned by unincorporated foreign branches of U.S. corporations. This income played a significant role in the banking industry, as 67 percent of foreign taxable banking income was attributable to foreign branches. In contrast, manufacturing and wholesale and retail companies were more likely than corporations in other industries to operate through foreign subsidiary corporations. This is evidenced by the high percentage of dividend income (including dividend gross-up) earned by companies in these industries (48 percent and 47 percent of gross income, respectively).

In general, foreign effective tax rates were higher on foreign-source taxable income of U.S. corporations than the U.S. effective tax rate [5]. While this was true on an overall basis, rates varied considerably by industry. The petroleum industry (including both integrated and extracting oil companies) had by far the highest effective foreign tax rate, as shown in the following table. Conversely, the banking industry's effective foreign tax rate was only one-third of the corresponding U.S. rate. This was mainly attributable to low or zero foreign withholding tax rates on interest, which made up 90 percent of non-branch banking gross income. The effective foreign tax rate for all other industries approximated the U.S. rate.

Industry	Effective foreign tax rate	Effective U.S. tax rate
All industries....	38.3%	35.5%
Petroleum.......	60.1	38.7
Banking.........	12.7	38.4
Other...........	32.3	34.1

BACKGROUND

Prior to 1918, U.S. corporations could deduct foreign taxes from their worldwide gross income to determine their income subject to U.S. tax. Not until World War I, when the economic climate of the United States and abroad changed dramatically, did the need for new legislation begin to emerge. U.S. foreign trade experienced new growth and tax rates both in the United States and overseas rose quickly. The U.S. income tax on foreign-source income combined with the taxes imposed on U.S. corporations by foreign countries generally made for a very high effective tax rate on foreign income. This double taxation provided little incentive for U.S. corporations to establish overseas operations. In 1918, Congress enacted legislation allowing U.S. corporations a dollar-for-dollar credit for foreign taxes paid on foreign income, excess profits, and war profits. Essentially, the credit reduced the U.S. income tax liability by the amount of foreign tax paid or accrued on foreign income. While many modifications to the foreign tax credit have been made since then, the underlying framework remains intact [6].

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*Foreign Returns Analysis Section. Prepared under the direction of James Hobbs, Chief.

Before passage of the Revenue Act of 1921, U.S. corporations were unlimited in the amount of foreign taxes they could credit. As a result, many corporations used the foreign tax credit mechanism to offset their income tax liability on domestic, as well as on foreign, income since foreign taxes in excess of the U.S. rate could be credited without limitation. To remedy this situation, the 1921 act imposed a limitation on foreign tax credits.

Currently, corporations are subject to a limitation in which the credit can not be greater than that percentage of total U.S. income tax that foreign-source taxable income (but not in excess of worldwide taxable income) is of worldwide taxable income [7]. This calculation results in a limitation of zero if a corporation has an overall foreign loss. In addition, corporations with worldwide losses would have no U.S. tax against which to claim a credit. For 1982, this limitation had to be separately calculated for four categories of income: (1) section 904(d) (passive) interest income, (2) dividends from a Domestic International Sales Corporation (DISC) or former DISC, (3) foreign oil-related income, and (4) all other income from foreign sources. Any foreign tax paid or accrued or deemed paid (see "Current-year foreign taxes" in the Explanation of Selected Terms Section) in excess of the limitation could be carried back two years and then brought forward five years, provided that these taxes do not exceed the limitation for those years.

To claim a foreign tax credit, a U.S. corporation must have foreign-source taxable income, pay foreign income tax on the foreign income, and have a U.S. income tax liability. As previously stated, only certain taxes are creditable. These include taxes imposed by U.S. possessions or the national government of a foreign country, as well as its cities, states, and other subdivisions. Taxes such as excise, franchise, sales, etc., do not qualify as creditable foreign taxes, but can be deducted in calculating worldwide taxable income.

Since U.S. corporations are taxed on their worldwide income, the foreign tax credit serves to eliminate double taxation. While foreign taxes may be treated as a deduction, corporations almost always benefit more by crediting these taxes, as is shown in Figure A.

Note that by crediting the foreign taxes rather than deducting them, the "total tax" figure is significantly reduced, yielding a larger income after tax. While the effective worldwide tax rate on worldwide income is approximately 58 percent if the deduction method is used, the effective tax rate is reduced to about 46 percent by opting for the credit (assuming the foreign tax rate equals the U.S. rate). Furthermore, the corresponding effective U.S. tax rate on foreign-source income is virtually zero by crediting foreign taxes, and about 25 percent using the deduction.

FOREIGN INCOME, TAXES, AND CREDIT, BY INDUSTRY

The foreign tax credit decreased 12 percent from 1980 to 1981 and another 13 percent for 1982. The following table depicts the foreign tax credit by industrial division and the changes in the credit from 1980 to 1982.

Foreign Tax Credit by Industrial Division, 1980 and 1982

[Money amounts in millions]

Industrial division	1980 (1)	1982 (2)	Percentage change (3)
All industries	$24,880	$18,932	- 23.9%
Agriculture, forestry, and fishing.....	7	2	- 74.6
Mining..............	1,964	1,610	- 18.0
Construction.........	151	175	16.1
Manufacturing........	19,192	14,775	- 23.0
Transportation and public utilities....	462	255	- 44.9
Wholesale and retail trade........	1,525	436	- 71.4
Finance, insurance, and real estate.....	1,397	1,458	4.4
Services.............	181	220	21.4

While the foreign tax credit fell nearly 24 percent for all industries, the most significant decrease was the $4.4 billion reduction in credit claimed by companies in the manufacturing industry. The 23 percent drop in the credit for this industry accounted for nearly three-fourths of the total reduction between 1980 and 1982.

Figure A
A Comparative Example of Foreign Tax Treatment: Credit Versus Deduction

Item	Foreign tax credit	Deduction for foreign taxes
1. Worldwide taxable income	$20,000,000	$20,000,000
a. Domestic	10,000,000	10,000,000
b. Foreign (before foreign tax deduction)	10,000,000	10,000,000
2. Foreign taxes	4,580,250	4,580,250
3. Foreign income subject to U.S. tax	10,000,000	5,419,750
4. Total income subject to U.S. tax (line 1a + line 3)	20,000,000	15,419,750
5. U.S. tax before credits	9,180,250	7,086,635
a. On domestic income	4,580,250	4,580,250
b. On foreign income	4,600,000	2,506,385
6. Foreign tax credit	4,580,250	—
7. U.S. tax after credits (line 5 − line 6)	4,600,000	7,086,635
8. Total tax (line 2 + line 7)	9,180,250	11,666,885
9. Net income after total tax (line 1 − line 8)	10,819,750	8,333,115
10. Effective worldwide tax rate (line 8 ÷ line 1)	45.9%	58.3%
11. Effective U.S. tax rate on foreign income ([line 7 − line 5a] ÷ line 1b)	0.2%	25.1%

NOTE: Deducting foreign taxes is preferable to crediting only when less than 46 percent of current-year taxes can be credited for the current year, or be used as either a carryback or carryforward credit to other years.

Several other industrial divisions experienced dramatic decreases (in percentage terms) in the credit, as shown. The impact that these smaller industries had on the total foreign tax credit claimed, however, was not significant. In contrast, three industrial divisions showed an increase in the credit claimed, the most substantial being in finance, insurance, and real estate. Specifically, banking exhibited the greatest change (to $1.2 billion), an increase of 10 percent since 1980.

Dominance of the Petroleum Industry

While the number of corporations in the petroleum industry was a small portion of the total number of corporations claiming a foreign tax credit, these companies constituted a significant share of foreign income, taxes, and credit. Figure B illustrates the sizeable foreign presence of corporations engaged in integrated petroleum activities and oil and gas extraction operations.

It is interesting to note that petroleum companies represented 3 percent of all corporations claiming a foreign tax credit, but claimed nearly half of the total foreign tax credit. Also noteworthy is the fact that these companies accounted for 34 percent of foreign-source taxable income, but 54 percent of total current-year foreign taxes. The petroleum industry's effective foreign tax rate on this foreign taxable income averaged 60 percent [8].

Foreign Taxable Income and Taxes

Foreign-source taxable income (see the

Figure B. -- Petroleum Industry Compared to All Industries, 1982

[All figures are estimates based on samples-money amounts are in thousands of dollars]

Selected items	All industries	Petroleum industry	Petroleum industry as a percentage of all industries
	(1)	(2)	(3)
Number of returns	4,941	149	3.0%
Total assets	$3,773,175,346	$438,467,919	11.6
Total non-branch foreign gross income	87,519,590	29,309,460	33.5
Total non-branch foreign deductions	44,180,091	14,352,797	32.5
Foreign branch income and specially allocable income (section 863(b))	16,142,432	5,546,000	34.4
Total foreign-source taxable income	59,481,932	20,502,664	34.5
Current-year foreign taxes	22,795,300	12,317,090	54.0
Income subject to U.S. tax	107,213,248	28,623,504	26.7
Foreign tax credit	18,932,390	8,951,129	47.3

Explanation of Selected Terms Section) accounted for 29 percent of worldwide taxable income for all corporations for 1982. This ratio remained unchanged from 1980, as both foreign and worldwide income decreased approximately 16 percent, to $59.5 billion and $205.2 billion, respectively. The $41.4 billion reduction in worldwide taxable income was partially due to the 49 percent increase in interest expense [9]. Several industrial divisions experienced a reduction in foreign income, yet losses sustained by the manufacturing industries were the most substantial. Within this industrial division, corporations primarily engaged in integrated petroleum activities accounted for 71 percent of the total $11.1 billion reduction in foreign income.

Current-year foreign taxes for U.S. corporations claiming a credit fell 24 percent from 1980, a $7.2 billion difference. Manufacturers engaged in integrated petroleum activities experienced a 28 percent decrease in these taxes compared to 1980, closely approximating the 32 percent decrease in their foreign taxable income. This industry was still responsible for $10.2 billion or 45 percent of the total $22.8 billion of current-year foreign taxes that qualified for the 1982 credit.

Foreign taxes in the banking industry rose by 31 percent from 1980 to 1982, to $1.4 billion. In contrast, foreign banking taxable income rose a modest 9 percent, while gross income and deductions more than doubled. The tax increase exceeded the rise in taxable income because most foreign withholding taxes are imposed on gross, rather than taxable (net), income.

If foreign tax rates were the same as the U.S. rate, it would follow that the ratio of foreign-source taxable income to worldwide taxable income should approximate the ratio of current-year foreign taxes to U.S. income tax after credits (excluding the foreign tax credit). Figure C suggests that foreign tax rates on an overall basis are slightly higher than the U.S. tax rate, since the foreign tax ratio (34.5 percent) is higher than the foreign income ratio (29.0 percent) [10]. Although the finance, insurance, and real estate industrial division had a high foreign-source taxable income relative to its worldwide taxable income (60.8 percent), its foreign taxes were only 24.1 percent as great as its U.S. income tax liability. Low foreign withholding rates on banking income (primarily interest) were responsible for the low effective foreign tax rate for the finance division.

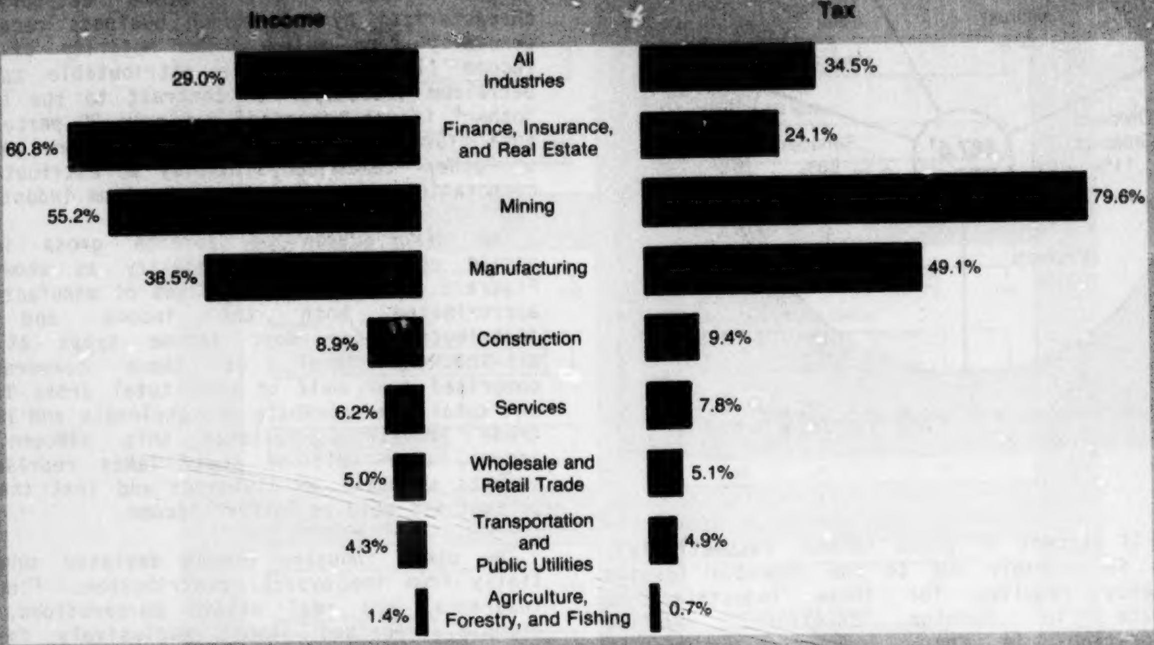
In contrast, about one half of taxable income generated in mining was foreign earned, but foreign taxes were nearly 80 percent as great as U.S. income tax after credits (excluding foreign tax credit). The large foreign tax liability for mining was due to the high tax rates associated with oil and gas extraction income. Manufacturing industries also had a large foreign tax liability, with foreign taxes amounting to nearly half of the amount the United States would have levied on worldwide income, although only 38.5 percent of this industry's income was from foreign sources.

Foreign Gross Income and Taxes

Corporations with foreign business activity can operate by using a variety of business structures or methods. These include:

- unincorporated foreign branches--income reported as branch taxable income;
- controlled foreign corporations [11] --income reported as dividends and

Figure C
Foreign-Source Taxable Income as a Percentage of Worldwide Taxable Income and Current-Year Foreign Taxes as a Percentage of U.S. Tax after Credits (Excluding the Foreign Tax Credit), by Industrial Division, 1982



Note: The amounts of worldwide taxable income and U.S. income tax after credits (excluding foreign tax credit) used in these calculations represent all corporations rather than those with foreign tax credit. These percentages are estimates, as a small amount of foreign income and tax data are not included in these statistics (see the Data Sources and Limitations section of this article).

dividend gross-up; and

- direct transactions with a foreign corporation (whether controlled or not) or unrelated entities--gross income of other types, for example interest, rents, royalties, and services income.

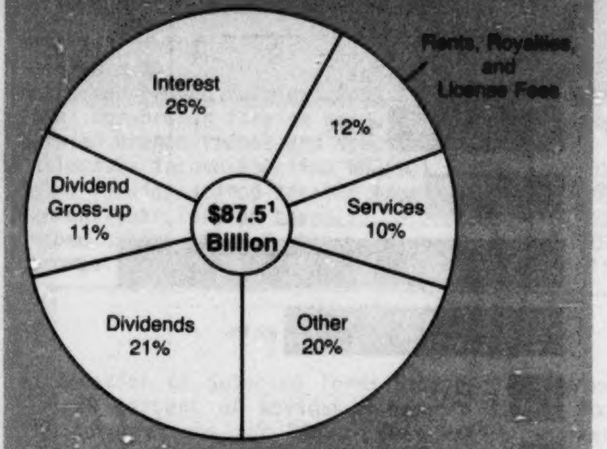
Corporations that operated through foreign branches are discussed in the section "Branch Income." The following discussion describes the income and taxes associated with alternative business structures.

Total foreign gross income remained virtually the same as 1980; however, significant changes occurred in its composition. Interest surpassed dividends and rents (including royalties and license fees) as the most common type of foreign income (see Figure D). Interest income other than from foreign branches rose dramatically from $12.5 billion for 1980 to $22.5 billion for 1982.

Increased interest rates on loan repayments in 1982 helped U.S. banks earn $16.6 billion of foreign non-branch interest, an increase of 125 percent over 1980. Another factor was an "enormous increase in bank lending abroad" [12]. By comparison, U.S. corporations other than banks reported only a 16 percent gain in foreign non-branch interest, to $5.9 billion.

Corporations in manufacturing and trade seemed more likely than corporations in other industry groups to operate through foreign subsidiaries. This practice is shown in Figure E by the high percentage of dividends (including dividend gross-up) these industries reported (48 percent

Figure D
Total Gross Income by Income Type, 1982



¹Excludes branch income and specially allocable income.

and 47 percent of gross income, respectively). This is probably due to the sizeable foreign presence required for these industries to operate in foreign countries. Unlike corporations in these industries, financial companies seldom operated through foreign subsidiaries. These companies received only 4 percent of their gross income in dividends and dividend gross-up.

For 1982, U.S. corporations paid or accrued $7.5 billion in foreign taxes on $87.5 billion of "gross income" (see Figure D), an increase of 4 percent since 1980. Taxes withheld on dividends and rents, royalties, and license fees each accounted for 16 percent of this foreign tax. Manufacturers alone were responsible for nearly all of the tax withheld on dividends, rents, royalties, and license fees.

While interest income constituted one fourth of gross income, tax withheld on interest as a percentage of non-branch taxes paid or accrued was only 12 percent. This was largely due to low withholding rates associated with interest income, especially when U.S. tax treaties with foreign countries allowed for a zero withholding tax rate on this income. Almost three-fourths of the foreign tax on interest was withheld on payments to U.S. banks.

One type of income included but not shown separately in Figure D is foreign partnership income. While corporations with a foreign tax credit earned $13.9 million in partnership net income for 1982, those in oil and gas extraction reported losses totaling $90.5 million. In comparison, domestic partnerships in the same industry sustained losses totaling $7.7 billion [13].

Close to half of the taxes on the income depicted in Figure D were paid or accrued on "other" income. This income category is characterized by non-branch business receipts, generally from sales. The majority of this income (74 percent) was attributable to the petroleum industry. In contrast to the taxes, "other" income accounted for only 20 percent of total foreign gross income. Ninety-one percent of "other" taxes can similarly be attributed to corporations engaged in the petroleum industry.

The distribution of foreign gross income varied considerably by industry as shown in Figure E. The income and taxes of manufacturers approximated both the income and tax distribution for most income types at the all-industry level, as these corporations comprised over half of both total gross income and total taxes. While the wholesale and retail trade industries followed this pattern for income, over half of their taxes represented amounts withheld on dividends and less than 10 percent was paid on "other" income.

The other industry groups deviated substantially from the overall distribution. Finance, insurance, and real estate corporations, for example, received almost exclusively foreign interest income. For construction firms, a high concentration of income was from services.

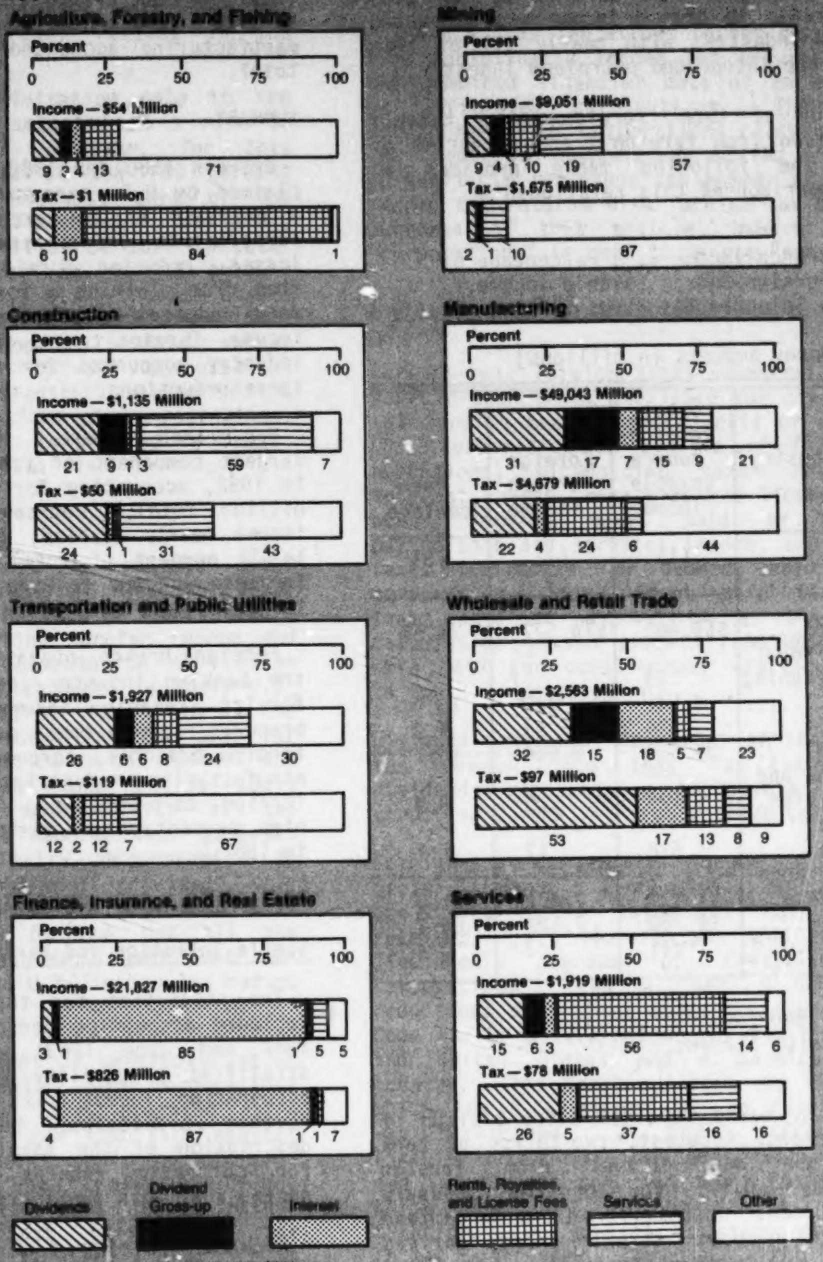
Corporations in the motion picture and television production industry generally receive income from renting or licensing the use of their films and television shows. The majority (76 percent) of this industry's foreign-source gross income ($1.1 billion) was from rents, royalties, and license fees. This income played a major role in the distribution of income for the services industry (which includes motion picture and television production) as shown in Figure E. Foreign taxes, however, represented only 2 percent of foreign rent, royalty, and license fee income for the motion picture and television production industry. In comparison, the average foreign tax rate on the same income type was 12 percent for all industries. This industry's rate was low because the United States has tax treaties with many major countries eliminating withholding taxes on this income [14].

Branch Income

As an alternative to foreign incorporation, many U.S. companies have established unincorporated foreign branches to operate in

Figure E

Percentage of Total Gross Income and Total Tax by Income Type, by Industrial Division, 1982[1]



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[1] Excludes branch and specially allocable income.

Note: Detail may not add to total because of rounding.

foreign countries. Income from these branches represented nearly one-fourth of total foreign-source taxable income. Branch income fell by a third, from $21.9 billion for 1980 to $14.6 billion for 1982. While foreign branch income fell for most industries, the reduction was most significant for manufacturing corporations. Eighty-nine percent of the $7.3 billion decrease in branch income was accounted for by this industry, with nearly all of this decrease in the integrated petroleum industry.

The portion of total foreign-source taxable income received from foreign branches varied by industry. The following table provides an industry comparison of this relationship.

Foreign Branch Income as a Percentage of
Total Foreign-Source Taxable Income,
by Selected Industry, 1982

[Money amounts in millions]

Selected industry	Total foreign-source taxable income	Foreign branch income	Percentage
	(1)	(2)	(3)
All industries.....	$59,482	$14,572	24.5%
Agriculture, forestry, and fishing	23	1/	2/
Mining............	4,041	440	10.9
Construction.......	534	23	4.2
Manufacturing......	39,359	6,584	16.7
Transportation and public utilities..	1,128	100	8.9
Wholesale and retail trade......	1,518	17	1.1
Finance, insurance, and real estate...	12,138	7,401	61.0
Banking..........	10,766	7,182	66.7
Services...........	741	3	0.4

1/ Less than $500,000.
2/ Less than 0.05 percent.

Although U.S. banks received $16.6 billion of foreign non-branch interest, two-thirds of bank taxable income was derived from foreign branches. As shown, the banking industry surpassed all other industries in the percentage of total foreign-source taxable income derived from foreign branches. Historically, U.S. banks have made foreign loans through foreign branches rather than establishing foreign banking subsidiaries.

For 1982, banking and manufacturing made up the greatest percentage of total branch taxable
income, 49 percent and 45 percent, respe
tively. The $6.6 billion of manufacturi
branch income represented less than 17 perce
of all foreign income for manufacturers, whi
the corresponding portion for banking was near
67 percent ($7.2 billion). In 1982, both ban
and manufacturers each earned nearly half
total foreign branch income, although for 198
banking represented only 34 percent whi
manufacturing accounted for 60 percent of t
total.

SUMMARY

Between 1980 and 1982, the foreign tax cred
claimed by U.S. corporations fell $5.9 billio
a decrease of 24 percent. During 1982, ma
corporations experienced foreign or worldwi
losses, reducing foreign taxes and precludi
them from claiming a foreign tax credit. Whi
many industries sustained decreases in forei
income, foreign taxes, and credit, the petrole
industry accounted for a substantial amount
these reductions.

Non-branch interest income emerged as t
largest component of total foreign gross inco
in 1982, accounting for 26 percent of the $87
billion total. Between 1980 and 1982, th
income nearly doubled, with banks earning clo
to 75 percent of total interest income. Th
increase was due to both high interest rates a
increased foreign lending.

Foreign branch operations were important
the banking industry, as 67 percent of bank
foreign taxable income was earned thro
branches. While banks generally operate thro
foreign branches, corporations in the trade
manufacturing industries more often establ
foreign corporations. This was shown by
high percentage of dividend income they ear
in 1982.

DATA SOURCES AND LIMITATIONS

Sample Selection and Variability

The statistics for the 1982 Tax Year (wh
included accounting periods ending between J
1982 and June 1983) were estimated from
stratified probability sample of about 97,
corporation income tax returns selected af
revenue processing, but before audit.
description of the sample selection procedu
for corporate returns is presented in
Appendix of this publication.

Returns claiming a foreign tax credit w
selected for the 1982 statistics presented
this article from the general corporate samp
Slight differences exist between the 1
foreign tax credit data presented here and
data previously published in Statistics
Income--1982, Corporation Income Tax Retu
(and also shown in Table 8 of the Selec

Statistical Series, at the end of this publication). The differences exist because the statistics presented in this article include 1982 data for nine returns with foreign tax credit that were prescribed for inclusion in the 100 percent sample class, but were received too late to be included in the corporate sample statistics. However, estimates were used for the most significant (four) returns in the corporate statistics.

Sampling error is a limitation only to the extent that returns are selected at a rate of less than 100 percent. However, for this article, returns selected at the 100 percent rate accounted for the largest part of the estimated amounts. For instance, for 1982, corporations with $250 million or more in total assets (which were selected at the 100 percent rate) accounted for almost all of total assets (97.6 percent), foreign tax credit claimed (96.2 percent), and foreign-source taxable income (95.9 percent) reported by all corporations claiming a foreign tax credit. Because of the predominance of these large corporations, sampling error is not considered a major limitation of the statistics.

General Limitations

The foreign tax credit is claimed under section 901 of the Internal Revenue Code. Corporations claiming a foreign tax credit generally provide supporting foreign income and tax data on Form 1118, Computation of Foreign Tax Credit--Corporations, attached to their U.S. Form 1120 income tax return. Form 1118 is the source of the foreign income and tax data for this article. The statistics do not reflect any adjustments that may be made during audit examination, when the acceptability of the foreign income and taxes reported for purposes of this credit is finally determined. In addition, some corporations provided only preliminary foreign income and tax data with their U.S. tax returns because not all the information on their foreign operations was available at the time the U.S. income tax return was filed.

There is a certain amount of undercoverage of foreign income and tax data. Some corporations with foreign income and taxes operated at a deficit and had no U.S. tax liability against which a foreign tax credit could be claimed. Other corporations may have chosen to deduct their foreign taxes from gross income rather than credit them against their U.S. tax liability. For these particular returns, it is believed that the foreign income and tax amounts were insignificant. In both circumstances, these returns would have been excluded from this study. In other instances, corporations did not provide a Form 1118 in support of the foreign tax credit claimed with their tax return as originally filed. Since the foreign tax credit claimed by these corporations represented approximately 0.001 percent of the total foreign tax credit claimed by all corporations, it is believed that the income and tax data would be insubstantial. Certain Form 1120 data for these returns are, however, included in columns 1-17 of Table 1.

The U.S. tax law allows parent corporations to file consolidated income tax returns presenting the combined financial data of an entire group of affiliated corporations. Therefore, the actual number of corporations claiming a foreign tax credit is understated, as the statistics in this article represent the number of corporation income tax returns with foreign tax credit. For purposes of this article, however, the term "corporations" is used to denote "returns."

EXPLANATION OF SELECTED TERMS

Current-year foreign taxes.--Generally, current-year foreign taxes available for credit included (a) foreign taxes directly paid or accrued by a U.S. corporation on profits of foreign branch operations; withholding taxes on dividends, interest, rents, royalties and license fees; and other foreign taxes paid or accrued on partnership and services income; and (b) foreign taxes indirectly, or deemed, paid by a U.S. corporation. These "deemed paid" taxes were the taxes paid or accrued by a related foreign corporation on the profits from which dividends were paid (or constructive distributions made) to the U.S. corporation.

Dividend gross-up.--An amount of income equal to tax deemed paid that is associated with dividends received or includable income constructively received from foreign corporations.

Foreign-source taxable income.--Foreign-source gross income (including certain income "constructively" although not "actually" received, i.e., "foreign dividend gross-up" and "includable income of Controlled Foreign Corporations") less or "net" of the allocable deductions determined under the Internal Revenue Code and by provisions of any tax treaty between the United States and a particular foreign country. This taxable income was the amount on which the U.S. income tax on foreign earnings was determined. It could differ from the taxable income from overseas business operations and investments computed under foreign tax law, which was used as the basis for foreign taxation. In general, foreign-source taxable income included foreign branch profits, dividends received from foreign corporations, rental income, royalties, license fees, interest, gains from the sale of real property, and compensation for labor or services performed.

Specially allocable (section 863(b)) income.--Income partially earned within the United States and partially earned within a foreign country or U.S. possession. In general, the income covered by section 863(b) is generated either by production within the United States and sales abroad or vice versa, or by transportation, telegraph, or cable services.

NOTES AND REFERENCES

[1] For an explanation of the difference between the total foreign tax credit figure shown here and the figure shown in Statistics of Income -- 1982, Corporation Income Tax Returns and Table 8 of the Selected Statistical Series at the end of this publication, see the "Data Sources and Limitations" section of this article.

[2] An article in the Fall 1986 Statistics of Income Bulletin will present geographically classified foreign income and tax data for corporations claiming a foreign tax credit for Tax Year 1982.

[3] The amount of branch interest is not determinable because branch income is reported as taxable (not gross) income and is not allocated to specific types of income.

[4] Since detailed corporate foreign tax credit statistics are available for only even numbered years, most foreign tax credit items are compared to 1980 rather than 1981 in this article.

[5] The effective foreign tax rate is defined as current-year foreign taxes as a percentage of foreign-source taxable income. The U.S. effective tax rate was calculated as U.S. income tax after credits (except the foreign tax credit) as a percentage of worldwide taxable income. If the total available credits exceed the amount of tax, these other credits are limited, since the foreign tax credit is claimed before most other credits. The amount of these other credits that would have been claimed, if not for the foreign tax credit, was not tabulated. Including these unavailable amounts would slightly lower the U.S. effective tax rate.

[6] See Isenbergh, Joseph, "The Foreign Tax Credit: Royalties, Subsidiaries, and Creditable Taxes," Tax Law Review, Spring 1984, pp. 227-231.

[7] For a more detailed explanation of the foreign tax credit limitation, see States, William, "Corporate Foreign Tax Credit, 1980: An Industry Focus," Statistics of Income Bulletin, Summer 1984, pp. 63-64.

[8] Note that this high effective foreign tax rate may be a result of either high statutory rates on oil income or differences in foreign accounting principles, or both.

[9] Since interest deductions were not determined exclusively for corporations claiming a foreign tax credit, the increase described represents these deductions for all corporations. See Statistics of Income, Corporation Income Tax Returns, for 1980 and 1982.

[10] The calculation does not consider the small amount of unused tax credits (other than the foreign tax credit). For purposes of this calculation, excluding the foreign tax credit would increase the allowable amount of other credits. Including these unavailable amounts would slightly lower the amount of U.S. tax after credits, and, as a result, increase the ratio of current-year foreign taxes to U.S. income tax after credits (excluding the foreign tax credit).

[11] A controlled foreign corporation (CFC) is generally described as a corporation created under the laws of a government outside of the United States and with more than 50 percent of the voting stock or more than 50 percent of all classes of stock owned by U.S. persons on any day during the taxable year of the CFC. An article in the Summer 1986 issue of the Statistics of Income Bulletin will present industrially classified controlled foreign corporation income and tax data for Tax Year 1982.

[12] Scholl, Russell B., "The International Investment Position of the United States in 1984," Survey of Current Business, Department of Commerce, June 1985, p. 28.

[13] See Piet, Patrick, "Partnership Returns, 1982," Statistics of Income Bulletin, Summer 1984, pp. 86-91.

[14] See U.S. Department of the Treasury, Withholding of Tax on Nonresident Aliens and Foreign Corporations, Publication 515, November 1983.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from DISC's	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All industries	4,941	3,773,175,346	2,340,968,757	12,309,152	3,903,258	4,223,473	9,641,529	110,906,771	107,213,246
Agriculture, forestry, and fishing	*34	*1,293,354	*1,008,226	*4,593	*5,761	*39	*1,475	*163,526	*163,441
Mining	143	89,019,789	100,546,431	605,776	60,281	160,675	333,529	4,830,704	4,766,736
Metal mining	*13	*506,387	*448,762	*370	*34	—	*81	*53,546	*50,963
Coal mining	4	1,712,350	1,973,249	95	—	—	—	78,252	75,068
Oil and gas extraction	122	86,319,194	97,738,115	604,288	60,247	160,675	333,448	4,663,575	4,606,282
Nonmetallic minerals, except fuels	3	481,858	386,305	1,023	—	—	—	35,330	34,423
Construction	103	18,575,637	21,773,411	195,258	3,051	42,698	99,458	878,675	823,976
General building contractors and operative builders	66	11,654,335	9,614,814	82,233	93	33,827	20,108	236,104	219,440
Heavy construction contractors	19	6,529,841	11,577,589	107,981	2,461	8,871	77,681	622,425	587,691
Special trade contractors	18	391,461	581,007	5,044	497	(¹)	1,669	20,147	16,846
Manufacturing	1,893	1,218,268,387	1,351,754,394	9,922,209	3,765,580	3,326,460	8,351,437	74,129,699	72,433,956
Food and kindred products	111	94,501,361	119,857,577	695,419	168,403	170,509	566,477	5,977,260	5,694,092
Tobacco manufactures	8	43,561,491	31,890,324	44,260	84,473	31,274	34,998	2,606,145	2,452,500
Textile mill products	26	4,895,667	6,261,149	31,162	8,331	486	26,443	288,524	281,272
Apparel and other textile products	129	6,363,222	10,610,357	41,629	5,496	8,063	27,337	830,629	824,822
Lumber and wood products	24	2,508,374	2,917,211	3,208	6,274	—	1,737	120,248	123,182
Furniture and fixtures	24	2,420,872	3,921,941	2,027	863	1,887	1,758	292,923	276,481
Paper and allied products	47	27,437,283	27,959,616	266,642	130,034	20,216	173,194	2,100,826	2,116,817
Printing and publishing	144	22,506,494	27,121,523	89,236	26,514	421	51,166	2,301,974	2,274,751
Chemicals and allied products	283	146,965,654	155,621,958	1,715,455	610,815	607,136	1,346,644	9,511,670	9,396,457
Petroleum (including integrated) and coal products	27	352,148,725	481,557,355	3,262,783	99,584	727,820	3,340,373	24,459,364	24,017,222
Rubber and miscellaneous plastics products	73	12,744,787	17,446,429	163,582	33,713	17,830	108,932	773,840	759,232
Leather and leather products	16	2,460,110	3,508,467	909	849	547	947	225,373	216,183
Stone, clay, and glass products	32	16,067,876	16,821,377	116,491	35,321	25,758	85,016	488,409	463,592
Primary metal industries	41	36,609,639	22,012,840	123,368	46,936	20,378	60,941	925,393	767,383
Fabricated metal products	181	32,000,788	33,306,184	318,944	126,638	42,637	197,766	2,123,897	2,115,798
Machinery, except electrical	303	102,855,357	98,654,240	1,293,051	554,887	219,138	1,114,266	9,204,686	9,116,166
Electrical and electronic equipment	176	136,127,939	124,137,316	865,642	826,048	241,350	453,243	5,518,986	5,268,643
Motor vehicles and equipment	64	125,846,642	105,101,270	385,518	370,654	1,063,015	311,437	2,553,949	2,479,689
Transportation equipment, except motor vehicles	22	15,461,745	19,194,482	106,870	230,902	17,507	90,104	647,204	628,890
Instruments and related products	91	27,964,345	34,419,914	376,904	384,143	85,749	345,351	2,735,835	2,705,728
Miscellaneous manufacturing products and manufacturing not allocable	72	6,820,017	9,432,863	19,039	14,383	4,738	13,305	442,565	435,053
Transportation and public utilities	203	357,616,842	237,229,730	186,176	27,358	298,302	112,361	12,022,577	11,944,958
Transportation	153	30,884,354	45,312,389	40,058	1,330	41,409	17,826	1,163,294	1,181,018
Water transportation	5	1,553,585	530,601	10	—	27,320	2,144	53,830	50,041
Other transportation	147	29,330,769	44,781,787	40,048	1,330	14,089	15,683	1,109,464	1,130,977
Communication	20	195,166,833	102,500,474	73,611	5,529	107,570	70,355	6,052,312	6,019,392
Electric, gas, and sanitary services	31	131,565,656	89,416,868	72,507	20,499	147,323	24,170	4,806,971	4,744,548
Wholesale and retail trade	571	170,401,485	222,086,884	669,510	62,935	139,792	381,563	6,618,084	5,915,571
Wholesale trade	474	68,623,175	83,900,033	253,783	57,148	56,638	186,616	3,097,982	2,644,193
Groceries and related products	*24	*1,477,728	*4,949,315	*1	*74	*104	—	*44,954	*40,026
Machinery, equipment, and supplies	81	4,195,687	8,601,528	22,056	19,310	3,733	18,955	377,738	371,013
Miscellaneous wholesale trade	368	62,949,760	70,349,191	231,726	37,763	52,801	167,661	2,675,290	2,233,153
Drugs, chemicals, and allied products	52	2,241,476	5,290,740	14,397	1,592	286	7,793	104,537	95,673
Petroleum and petroleum products	*22	*4,032,758	*13,771,836	*89,716	*577	*33,990	*96,855	*181,493	*178,816
Other miscellaneous wholesale trade	295	56,675,526	51,286,613	127,613	35,595	18,525	63,012	2,389,260	1,958,664
Retail trade	97	101,778,311	138,196,861	415,727	5,787	83,154	194,947	3,520,101	3,271,379
Building materials, garden supplies, and mobile home dealers	*4	*19,871	*32,417	*45	—	—	—	*1,099	*1,049
General merchandise stores	13	72,598,425	79,165,036	333,030	1,320	56,213	134,750	1,254,522	1,056,345
Food stores	6	7,009,668	26,500,880	66,452	—	8,337	48,196	466,541	466,298
Automotive dealers and service stations	*15	*214,333	*666,055	*1,674	—	—	—	*10,188	*8,417
Apparel and accessory stores	*18	*4,373,698	*7,476,396	*179	—	*281	*52	*286,699	*257,645
Eating and drinking places	24	10,728,190	10,524,039	3,819	2,016	3,532	4,089	706,790	697,001
Miscellaneous retail stores	17	6,834,126	13,832,037	10,529	2,452	14,790	7,860	792,263	784,624
Finance, insurance, and real estate	1,192	1,875,711,675	364,924,962	498,128	10,355	224,280	237,019	9,391,374	8,524,476
Banking	138	1,296,128,626	162,995,218	296,404	—	184,109	120,761	3,735,759	3,705,980
Credit agencies other than banks	59	6,502,195	499,943	2,093	—	1,556	2,148	51,672	48,996
Security, commodity brokers and services	81	73,344,813	11,486,419	17,716	2,294	10,335	12,342	801,135	738,433
Insurance carriers	129	489,563,902	185,036,923	95,176	5,547	20,395	42,776	4,010,500	3,384,166
Insurance agents, brokers, and services	20	3,788,101	2,157,511	27,311	—	1,130	21,261	207,327	200,470
Real estate	294	935,364	257,661	393	—	—	26	66,831	59,756
Holding and other investment companies except bank holding companies	471	5,448,874	2,491,287	69,032	2,515	6,755	37,702	516,146	386,677
Services	804	42,287,976	41,634,709	227,503	57,917	33,227	124,697	2,872,131	2,840,132
Hotels and other lodging places	19	3,155,522	3,216,132	1,922	—	1,475	2,384	208,900	192,881
Personal services	*27	*1,246,249	*1,668,569	*6,028	—	*155	*6,599	*130,947	*128,055
Business services	227	10,292,716	13,106,627	56,428	7,576	5,547	38,338	928,603	803,539
Auto repair; miscellaneous repair services	*9	*2,784,173	*3,183,219	—	—	—	—	*104,229	*101,479
Amusement and recreational services	91	15,276,661	11,259,556	153,356	47,169	7,694	74,002	884,035	836,120
Other services	431	9,532,635	9,200,606	9,769	3,172	18,355	3,373	617,418	578,058

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	Investment credit	Jobs credit	Other credits	U.S. income tax after credits	Foreign income and taxes reported on Form 1118: Gross income (less loss) excluding branch operations and specially allocable income	
	Total	Regular and alternative tax							Total	Dividends
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All industries	**48,675,764**	**47,827,506**	**18,932,390**	**49,859**	**9,863,820**	**64,138**	**675,194**	**19,090,362**	**87,519,590**	**18,459,252**
Agriculture, forestry, and fishing	***74,340**	***73,966**	***1,906**	**—**	***4,653**	***121**	***940**	***66,722**	***53,897**	***4,733**
Mining	**2,192,130**	**2,165,793**	**1,610,704**	**—**	**241,196**	**91**	**7,896**	**332,241**	**9,051,297**	**775,337**
Metal mining	*22,936	*22,881	*20,972	—	*51	—	—	*1,915	*167,441	*370
Coal mining	38,090	30,766	288	—	22,490	83	319	14,910	1,961	95
Oil and gas extraction	2,113,374	2,096,839	1,588,762	—	216,565	8	7,521	300,519	8,880,024	773,848
Nonmetallic minerals, except fuels	17,726	15,307	682	—	2,091	(1)	57	14,898	1,871	1,023
Construction	**377,889**	**371,560**	**175,178**	**—**	**58,552**	**2,360**	**2,047**	**139,753**	**1,135,151**	**238,865**
General building contractors and operative builders	102,056	97,707	54,103	—	36,617	2,176	440	8,719	213,366	116,061
Heavy construction contractors	268,382	266,508	118,911	—	21,006	100	1,515	126,850	911,236	117,760
Special trade contractors	7,451	7,344	2,164	—	926	84	92	4,183	10,549	5,044
Manufacturing	**32,940,244**	**32,470,219**	**14,775,796**	**49,859**	**5,102,209**	**26,502**	**517,533**	**12,488,345**	**49,043,520**	**15,098,970**
Food and kindred products	2,592,830	2,560,024	779,565	196	520,006	4,856	21,113	1,267,090	2,353,656	900,346
Tobacco manufactures	1,100,656	1,095,597	91,852	—	154,917	1,288	4,447	848,154	1,672,616	130,230
Textile mill products	128,541	127,311	23,516	—	29,538	1,052	1,020	73,415	73,239	31,645
Apparel and other textile products	377,274	376,636	40,491	5,973	18,027	2,736	1,200	308,846	175,176	51,351
Lumber and wood products	47,814	45,877	2,342	—	5,079	103	462	39,628	9,896	3,208
Furniture and fixtures	126,683	126,499	3,518	—	12,777	1,004	947	108,437	11,530	3,914
Paper and allied products	847,621	819,906	235,914	—	205,360	258	19,683	386,406	960,689	341,802
Printing and publishing	1,027,590	1,022,626	72,924	—	176,524	662	3,950	773,530	405,787	95,130
Chemicals and allied products	4,325,929	4,243,351	1,808,595	36,292	437,976	2,633	77,880	1,962,551	5,365,814	2,443,084
Petroleum (including integrated) and coal products	11,015,571	10,910,961	7,362,367	—	1,770,263	422	44,332	1,838,187	20,429,436	4,503,605
Rubber and miscellaneous plastics products	347,047	341,762	147,069	—	40,246	1,021	4,655	154,057	454,401	189,365
Leather and leather products	99,031	98,765	1,664	—	6,110	946	805	89,506	7,006	1,458
Stone, clay, and glass products	218,456	204,002	107,749	—	49,879	332	1,956	58,539	412,875	156,041
Primary metal industries	324,655	317,606	109,679	—	86,390	679	6,772	121,135	462,688	154,136
Fabricated metal products	939,204	915,550	254,586	21	114,857	671	10,760	556,310	632,990	386,260
Machinery, except electrical	4,191,359	4,135,670	1,593,796	2,224	505,785	2,281	154,443	1,932,829	6,780,852	1,593,805
Electrical and electronic equipment	2,354,831	2,305,898	781,025	969	391,551	3,318	57,945	1,120,023	4,055,116	1,497,614
Motor vehicles and equipment	1,152,430	1,122,111	799,331	—	222,242	514	13,904	116,439	2,398,341	1,594,156
Transportation equipment, except motor vehicles	284,456	279,036	116,927	—	53,452	307	27,893	85,878	528,969	293,497
Instruments and related products	1,240,137	1,224,914	422,134	1,234	267,190	598	57,806	491,174	1,330,837	704,180
Miscellaneous manufacturing products and manufacturing not allocable	196,127	196,115	20,551	2,948	34,038	819	5,559	134,212	101,644	24,144
Transportation and public utilities	**5,470,721**	**5,273,457**	**254,502**	**—**	**3,148,101**	**1,756**	**108,146**	**1,958,216**	**1,927,483**	**501,440**
Transportation	495,795	480,974	51,252	—	151,755	526	1,634	290,626	259,151	81,483
Water transportation	22,978	22,838	15,033	—	5,011	—	73	2,861	69,211	27,329
Other transportation	472,817	458,135	36,219	—	146,744	526	1,561	287,765	189,940	54,153
Communication	2,870,019	2,721,530	99,318	—	1,984,709	967	100,477	684,549	752,148	181,180
Electric, gas, and sanitary services	2,104,907	2,070,953	103,933	—	1,011,637	261	6,035	983,041	916,185	238,777
Wholesale and retail trade	**2,689,947**	**2,632,722**	**435,937**	**—**	**428,014**	**20,748**	**10,447**	**1,794,801**	**2,562,616**	**819,771**
Wholesale trade	1,205,868	1,189,782	198,541	—	86,327	427	5,316	915,258	1,557,624	318,553
Groceries and related products	*18,111	*17,830	*529	—	*4,299	*33	*170	*13,080	*3,109	*105
Machinery, equipment, and supplies	169,004	166,777	28,606	—	6,546	21	731	133,095	135,980	33,837
Miscellaneous wholesale trade	1,018,753	1,005,175	169,404	—	75,479	373	4,414	769,083	1,418,534	284,610
Drugs, chemicals, and allied products	42,765	42,305	10,035	—	16,420	26	156	16,128	60,450	14,684
Petroleum and petroleum products	*82,091	*80,716	*70,024	—	*3,374	*48	*37	*8,607	*250,409	*123,705
Other miscellaneous wholesale trade	893,897	882,154	89,345	—	55,685	298	4,221	744,348	1,107,676	146,222
Retail trade	1,484,078	1,442,941	237,396	—	341,687	20,321	5,131	879,543	1,004,992	501,218
Building materials, garden supplies, and mobile home dealers	*403	*403	*6	—	*10	—	—	*388	*38	*38
General merchandise stores	466,296	443,559	148,620	—	158,409	4,461	2,353	152,453	686,843	390,547
Food stores	212,179	208,700	54,310	—	53,334	4,890	188	99,457	132,505	74,786
Automotive dealers and service stations	*3,654	*3,470	*714	—	*626	*2	*10	*2,300	*2,662	*1,674
Apparel and accessory stores	*118,563	*116,192	*7,927	—	*10,798	*221	*97	*99,519	*49,649	*460
Eating and drinking places	324,797	314,331	12,826	—	69,919	8,435	913	232,704	61,998	7,351
Miscellaneous retail stores	358,187	356,285	12,994	—	48,589	2,311	1,570	292,723	51,297	26,364
Finance, insurance, and real estate	**3,741,453**	**3,673,619**	**1,458,265**	**—**	**458,984**	**7,283**	**13,405**	**1,803,517**	**21,826,586**	**727,089**
Banking	1,642,067	1,610,636	1,172,858	—	212,502	2,959	4,316	249,430	18,306,875	470,506
Credit agencies other than banks	20,220	19,927	2,014	—	1,723	9	—	16,474	204,782	3,649
Security, commodity brokers and services	325,013	321,723	19,997	—	54,785	62	2,456	247,711	167,335	28,048
Insurance carriers	1,481,386	1,453,187	193,328	—	159,095	4,115	6,087	1,118,760	2,809,486	120,374
Insurance agents, brokers, and services	92,328	91,080	23,764	—	19,796	46	295	48,428	94,156	27,957
Real estate	23,371	22,791	1,474	—	923	12	224	20,738	6,903	424
Holding and other investment companies except bank holding companies	157,069	154,276	44,831	—	10,159	77	25	101,977	147,049	76,131
Services	**1,189,040**	**1,166,172**	**220,105**	**—**	**422,112**	**5,277**	**14,780**	**526,769**	**1,919,038**	**291,048**
Hotels and other lodging places	79,586	77,615	11,022	—	17,653	1,396	663	48,855	31,533	3,397
Personal services	*58,952	*58,049	*6,066	—	*26,137	*48	*41	*26,661	*17,080	*6,183
Business services	368,001	361,069	69,934	—	78,447	2,342	11,094	206,184	408,441	61,972
Auto repair; miscellaneous repair services	*46,905	*46,237	*298	—	*34,320	*240	*321	*11,727	*3,133	—
Amusement and recreational services	377,560	369,002	115,150	—	210,432	62	603	51,313	1,244,427	192,892
Other services	258,034	254,199	17,635	—	55,123	1,190	2,058	182,029	214,424	26,604

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	Foreign income and taxes reported on Form 1118—Continued									
	Gross income (less loss) excluding branch operations and specially allocable income—Continued							Oil and gas extraction gross income (less loss)		
	Dividend gross-up	Interest income	Rents, royalties and license fees	Service income	Net capital gain	Partnership income (net)	Other income	Total	From extraction of oil or gas	From sale of business assets
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
All industries	**9,641,417**	**22,497,860**	**10,060,067**	**8,625,545**	**876,875**	**13,912**	**17,344,542**	**25,561,544**	**19,944,160**	**287,155**
Agriculture, forestry, and fishing	***1,475**	***2,129**	***6,866**	**—**	***152**	***-9**	***38,531**	**—**	**—**	**—**
Mining	**333,529**	**103,550**	**894,198**	**1,745,678**	**30,346**	**-90,522**	**5,259,181**	**3,612,904**	**3,367,727**	**22,206**
Metal mining	*81	*542	*481	*34,791	—	—	*131,177	—	—	—
Coal mining	—	1,826	40	—	—	—	—	—	—	—
Oil and gas extraction	333,449	100,334	893,677	1,710,887	30,346	-90,522	5,128,004	3,612,904	3,367,727	22,206
Nonmetallic minerals, except fuels	—	848	—	—	—	—	—	—	—	—
Construction	**99,458**	**14,517**	**32,528**	**674,402**	**4,077**	**49,320**	**21,985**	**47,244**	**47,244**	**—**
General building contractors and operative builders	20,108	2,102	136	38,187	4,080	12,755	19,938	47,244	47,244	—
Heavy construction contractors	77,681	11,365	30,289	635,795	-4	36,565	1,784	—	—	—
Special trade contractors	1,669	1,050	2,103	420	—	—	263	—	—	—
Manufacturing	**8,351,355**	**3,217,622**	**7,470,848**	**4,299,421**	**695,379**	**39,404**	**9,870,524**	**21,504,586**	**16,216,027**	**201,753**
Food and kindred products	566,477	216,248	271,517	133,339	104	-3,773	269,398	—	—	—
Tobacco manufactures	34,998	86,723	177,327	1,101,809	103,651	—	237,879	130,290	-64,969	195,258
Textile mill products	26,443	1,046	11,384	1,383	-5	453	890	—	—	—
Apparel and other textile products	27,343	27,431	58,171	3,660	654	92	6,477	—	—	—
Lumber and wood products	1,737	1,097	1,944	67	—	—	1,842	—	—	—
Furniture and fixtures	1,758	193	3,910	41	261	—	1,454	—	—	—
Paper and allied products	173,194	17,419	156,113	19,627	215,263	3,587	33,666	—	—	—
Printing and publishing	51,091	23,861	82,534	66,107	8,352	-21	78,713	—	—	—
Chemicals and allied products	1,346,640	240,221	824,256	160,462	59,186	886	311,078	1,154,004	830,534	58
Petroleum (including integrated) and coal products	3,340,369	1,474,136	1,752,372	951,578	45,739	19,129	8,342,508	20,207,059	15,441,097	6,427
Rubber and miscellaneous plastics products	108,932	11,785	113,919	7,566	10,780	-182	12,235	3,839	—	—
Leather and leather products	947	7	1,925	63	—	—	2,606	—	—	—
Stone, clay, and glass products	85,016	30,083	88,163	22,954	6,476	918	23,223	—	—	—
Primary metal industries	60,941	25,423	84,658	1,458	3,460	9,184	123,429	314	314	—
Fabricated metal products	197,765	45,465	115,966	10,466	21,527	-5,729	61,250	—	—	—
Machinery, except electrical	1,114,262	407,009	2,666,238	722,334	17,878	15,525	243,799	—	—	—
Electrical and electronic equipment	453,245	238,689	659,160	783,560	188,099	-5,308	240,056	9,059	9,051	9
Motor vehicles and equipment	311,437	310,937	70,212	289,095	-3,552	4,604	-178,549	—	—	—
Transportation equipment, except motor vehicles	90,104	16,882	80,560	31,142	5,763	—	11,020	—	—	—
Instruments and related products	345,351	38,042	210,845	-11,314	11,703	38	31,992	—	—	—
Miscellaneous manufacturing products and manufacturing not allocable	13,305	4,925	39,668	4,004	40	—	15,558	—	—	—
Transportation and public utilities	**112,351**	**123,285**	**146,930**	**454,154**	**52,136**	**41,801**	**495,406**	**378,256**	**295,166**	**63,196**
Transportation	17,827	38,443	33,190	56,220	-2,671	1,125	33,535	19,826	18,711	—
Water transportation	2,144	760	19,528	—	—	739	18,711	19,440	18,711	—
Other transportation	15,683	37,682	13,662	56,220	-2,671	386	14,824	386	—	—
Communication	70,355	4,782	103,387	282,179	-197	5,496	104,964	—	—	—
Electric, gas, and sanitary services	24,170	80,040	10,353	115,754	55,003	35,180	356,907	358,430	276,455	63,196
Wholesale and retail trade	**381,560**	**462,559**	**124,711**	**174,543**	**42,571**	**-582**	**557,484**	**3,947**	**3,947**	**—**
Wholesale trade	186,613	327,968	57,488	139,483	15,921	-697	512,297	3,947	3,947	—
Groceries and related products	—	*1,185	*199	*1,620	—	—	—	—	—	—
Machinery, equipment, and supplies	18,954	18,636	7,818	16,954	1,157	—	38,623	—	—	—
Miscellaneous wholesale trade	167,659	308,146	49,471	120,909	14,764	-697	473,674	3,947	3,947	—
Drugs, chemicals, and allied products	7,793	1,779	6,371	409	431	—	28,983	—	—	—
Petroleum and petroleum products	*96,855	*27,804	*2,405	*5,210	*5,484	—	*-11,054	—	—	—
Other miscellaneous wholesale trade	63,010	278,563	40,694	115,289	8,849	-697	455,746	3,947	3,947	—
Retail trade	194,947	134,591	67,223	35,060	26,651	115	45,187	—	—	—
Building materials, garden supplies, and mobile home dealers	—	—	—	—	—	—	—	—	—	—
General merchandise stores	134,750	111,369	9,299	27,596	6,994	—	6,288	—	—	—
Food stores	48,196	533	9,059	—	—	—	-69	—	—	—
Automotive dealers and service stations	—	*2	*158	*140	—	—	*688	—	—	—
Apparel and accessory stores	*52	*537	*3,875	*1,660	*5,515	—	*37,550	—	—	—
Eating and drinking places	4,089	20,713	43,724	4,149	1,536	115	322	—	—	—
Miscellaneous retail stores	7,860	1,437	1,108	1,515	12,606	—	407	—	—	—
Finance, insurance, and real estate	**237,013**	**18,523,459**	**310,096**	**1,014,011**	**43,338**	**-52,276**	**1,023,857**	**11,014**	**10,437**	**—**
Banking	120,761	16,553,606	284,658	123,732	35,932	-46,791	854,470	469	469	—
Credit agencies other than banks	2,148	195,157	711	116	50	-64	3,014	—	—	—
Security, commodity brokers and services	12,343	51,706	2	23,662	678	66	50,829	—	—	—
Insurance carriers	42,779	1,705,929	11,834	856,306	-6,977	-6,884	86,124	9,968	9,968	—
Insurance agents, brokers, and services	21,260	6,246	4,254	8,899	62	625	24,855	—	—	—
Real estate	23	149	6,301	—	—	—	6	—	—	—
Holding and other investment companies except bank holding companies	37,699	10,664	2,337	1,296	13,592	772	4,558	577	—	—
Services	**124,676**	**50,760**	**1,073,892**	**263,336**	**8,977**	**26,776**	**77,573**	**3,612**	**3,612**	**—**
Hotels and other lodging places	2,384	404	7,761	5,050	6,157	719	5,661	—	—	—
Personal services	*6,599	*344	*686	*2,776	*2	—	*487	—	—	—
Business services	38,334	46,718	85,903	132,956	2,817	167	39,574	—	—	—
Auto repair; miscellaneous repair services	—	*894	*883	*1,254	—	—	*102	—	—	—
Amusement and recreational services	74,002	231	958,900	13,139	—	344	4,918	—	—	—
Other services	3,357	2,168	19,756	108,162	—	25,546	26,832	3,612	3,612	—

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	Foreign income and taxes reported on Form 1118—Continued									
	Oil and gas extraction gross income (less loss)—Continued			Deductions other than from branch operations and specially allocable income						
				Total	Deductions allocable to specific types of income					Deductions not allocable to specific types of income
					Total	Rental, royalty and licensing expenses		Service expenses	Other deductions	
	Dividends from foreign corporations	Includable income of Controlled Foreign Corporations	Partnership income			Depreciation, depletion and amortization	Other			Total
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All industries	5,312,210	58,706	-40,688	44,180,091	27,285,615	367,129	1,101,196	3,905,792	21,911,498	16,894,475
Agriculture, forestry, and fishing	—	—	—	*30,905	*217	—	—	—	*217	*30,687
Mining	300,472	3,606	-81,107	5,455,503	5,230,666	122,996	41,471	1,009,067	4,057,112	224,837
Metal mining	—	—	—	*121,656	*121,656	*8,525	—	—	*113,131	—
Coal mining	—	—	—	—	—	—	—	—	—	—
Oil and gas extraction	300,472	3,606	-81,107	5,332,317	5,107,796	114,472	41,471	1,009,067	3,942,769	224,519
Nonmetallic minerals, except fuels	—	—	—	1,529	1,211	—	—	—	1,211	318
Construction	—	—	—	643,871	615,716	742	339	574,365	40,270	28,255
General building contractors and operative builders	—	—	—	39,751	22,502	—	1	13,871	8,630	17,250
Heavy construction contractors	—	—	—	603,013	592,224	723	72	560,448	30,982	10,788
Special trade contractors	—	—	—	1,207	990	19	266	46	659	217
Manufacturing	5,011,738	55,052	19,997	17,740,123	13,481,237	106,146	790,522	1,217,343	11,347,226	4,278,886
Food and kindred products	—	—	—	539,280	313,150	813	24,336	37,793	250,208	226,141
Tobacco manufactures	—	—	—	1,331,760	114,475	—	4,718	2,073	107,685	1,217,285
Textile mill products	—	—	—	3,382	2,046	458	72	694	822	1,337
Apparel and other textile products	—	—	—	39,876	21,596	9	4,377	1,226	15,985	18,279
Lumber and wood products	—	—	—	2,550	2,055	142	410	—	1,503	495
Furniture and fixtures	—	—	—	1,528	1,256	—	—	—	1,256	272
Paper and allied products	—	—	—	159,385	123,760	—	647	5,299	117,814	35,625
Printing and publishing	—	—	—	131,454	120,024	56	25,612	38,102	56,252	11,430
Chemicals and allied products	323,412	—	—	1,457,111	941,856	464	23,351	40,854	877,187	515,255
Petroleum (including integrated) and coal products	4,668,326	51,267	19,942	9,020,480	8,592,600	57,827	523,148	168,495	7,843,130	427,879
Rubber and miscellaneous plastics products	—	3,784	55	109,262	35,381	8	1,451	410	33,513	73,881
Leather and leather products	—	—	—	882	735	—	20	—	715	147
Stone, clay, and glass products	—	—	—	96,650	59,711	309	320	5,719	53,362	36,939
Primary metal industries	—	—	—	211,223	187,316	7,706	44,349	1,313	133,945	29,907
Fabricated metal products	—	—	—	150,551	42,623	2,958	5,471	1,820	32,373	107,928
Machinery, except electrical	—	—	—	2,163,066	1,659,769	12,336	22,292	237,112	1,388,030	503,320
Electrical and electronic equipment	—	—	—	1,440,039	864,932	21,074	93,535	432,765	317,558	575,108
Motor vehicles and equipment	—	—	—	593,492	293,381	—	7,653	227,205	58,522	300,112
Transportation equipment, except motor vehicles	—	—	—	76,060	27,565	1,643	6,125	12,134	7,664	48,495
Instruments and related products	—	—	—	184,011	46,666	—	21	345	46,301	137,344
Miscellaneous manufacturing products and manufacturing not allocable	—	—	—	26,049	10,337	338	2,612	3,983	3,403	15,712
Transportation and public utilities	—	—	19,895	951,599	613,923	9,867	31,918	87,647	484,492	337,676
Transportation	—	—	1,115	124,201	85,952	44	3,297	20,176	62,435	38,249
Water transportation	—	—	729	11,519	11,519	—	3,297	—	8,222	—
Other transportation	—	—	366	112,682	74,433	44	—	20,176	54,213	38,249
Communication	—	—	—	273,007	219,617	9,240	28,392	19,263	162,722	53,390
Electric, gas, and sanitary services	—	—	18,779	554,390	308,354	583	226	48,208	259,334	246,037
Wholesale and retail trade	—	—	—	1,066,675	708,540	692	14,122	110,556	583,166	358,134
Wholesale trade	—	—	—	910,817	623,404	658	13,410	89,236	520,098	287,413
Groceries and related products	—	—	—	*858	*104	—	—	—	*104	*754
Machinery, equipment, and supplies	—	—	—	62,191	33,513	—	—	30,285	3,227	28,679
Miscellaneous wholesale trade	—	—	—	847,768	589,787	658	13,410	58,953	516,766	257,980
Drugs, chemicals, and allied products	—	—	—	38,586	35,225	—	—	—	35,225	3,361
Petroleum and petroleum products	—	—	—	*81,502	*19,492	—	—	*1,635	*17,856	*62,010
Other miscellaneous wholesale trade	—	—	—	727,679	535,070	658	13,410	57,318	463,684	192,609
Retail trade	—	—	—	155,858	85,136	34	712	21,320	63,070	70,722
Building materials, garden supplies, and mobile home dealers	—	—	—	—	—	—	—	—	—	—
General merchandise stores	—	—	—	116,900	61,017	—	—	21,096	59,931	35,664
Food stores	—	—	—	1,655	365	—	—	—	365	1,289
Automotive dealers and service stations	—	—	—	*102	*102	—	—	*100	*3	—
Apparel and accessory stores	—	—	—	*728	*703	—	—	—	*703	*28
Eating and drinking places	—	—	—	31,270	2,755	—	712	135	1,909	28,515
Miscellaneous retail stores	—	—	—	5,203	194	34	—	—	160	5,008
Finance, insurance, and real estate	—	48	529	17,109,811	6,072,784	83,809	134,533	759,875	5,094,568	11,036,827
Banking	—	—	—	14,817,104	4,129,796	80,363	129,283	83,649	3,836,501	10,687,308
Credit agencies other than banks	—	—	—	190,410	22,052	—	—	—	22,052	168,358
Security, commodity brokers and services	—	—	—	94,263	73,350	—	—	18,631	54,719	20,913
Insurance carriers	—	—	—	1,956,192	1,819,803	2,053	5,219	656,377	1,156,154	136,389
Insurance agents, brokers, and services	—	—	—	28,794	17,573	—	—	1,219	16,354	11,221
Real estate	—	—	—	1,454	1,446	1,393	31	—	22	8
Holding and other investment companies except bank holding companies	—	48	529	21,394	8,765	—	—	—	8,765	12,629
Services	—	—	—	1,161,704	682,531	42,877	88,292	146,917	304,446	599,173
Hotels and other lodging places	—	—	—	15,226	6,594	—	54	(1)	6,540	8,632
Personal services	—	—	—	*2,477	*2,339	—	*187	*209	*1,943	*138
Business services	—	—	—	213,366	149,924	1,406	27,699	67,727	52,691	63,462
Auto repair; miscellaneous repair services	—	—	—	*1,209	*1,175	*202	*19	*953	—	*34
Amusement and recreational services	—	—	—	830,825	332,759	40,607	59,140	32,547	200,465	498,066
Other services	—	—	—	118,582	89,741	661	993	45,480	42,606	28,842

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	Foreign income and taxes reported on Form 1118—Continued: Deductions other than from branch operations and specially allocable income—Continued: Deductions not allocable to specific types of income—Continued: Research and development expenses	Interest expenses	General and administrative expenses	Deductions from oil and gas extraction income: Total	Allocable to specific types of income	Not allocable to specific types of income	Taxable income (less loss): Before loss recapture: Total	Foreign branch income	Specially allocable income (Section 863(B))	Other than from branch operations and specially allocable income
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
All industries	**57,016**	**7,213,716**	**1,561,806**	**7,992,911**	**7,833,523**	**159,388**	**59,481,932**	**14,572,145**	**1,570,287**	**43,339,500**
Agriculture, forestry, and fishing	—	—	—	—	—	—	*23,000	*8	—	*22,992
Mining	**9,494**	**86,151**	**65,107**	**965,468**	**887,326**	**78,141**	**4,041,405**	**444,070**	**1,540**	**3,595,795**
Metal mining	—	—	—	—	—	—	*45,785	—	—	*45,785
Coal mining	—	—	—	—	—	—	1,961	—	—	1,961
Oil and gas extraction	9,494	86,151	65,107	965,468	887,326	78,141	3,988,685	439,438	1,540	3,547,707
Nonmetallic minerals, except fuels	—	—	—	—	—	—	4,974	4,632	—	342
Construction	—	**2,787**	**624**	**7,991**	**7,991**	—	**533,552**	**22,658**	**19,714**	**491,180**
General building contractors and operative builders	—	—	—	7,991	7,991	—	192,550	5,422	13,513	173,615
Heavy construction contractors	—	2,787	624	—	—	—	331,660	17,236	6,201	308,223
Special trade contractors	—	—	—	—	—	—	9,342	—	—	9,342
Manufacturing	**45,416**	**569,243**	**557,368**	**6,912,320**	**6,837,526**	**74,793**	**39,359,210**	**6,584,357**	**1,471,457**	**31,303,396**
Food and kindred products	3,627	52,052	35,412	—	—	—	2,014,328	170,124	29,838	1,814,366
Tobacco manufactures	—	1,427	34,496	12,839	12,839	—	470,243	-71,417	804	540,856
Textile mill products	—	—	—	—	—	—	70,493	610	26	69,857
Apparel and other textile products	—	—	—	—	—	—	135,498	—	196	135,302
Lumber and wood products	—	—	—	—	—	—	7,347	(¹)	—	7,347
Furniture and fixtures	—	1	—	—	—	—	10,002	—	—	10,002
Paper and allied products	—	3,581	1,514	—	—	—	834,211	27,786	5,141	801,284
Printing and publishing	—	342	3,721	—	—	—	256,594	-21,551	3,832	274,313
Chemicals and allied products	3,402	33,451	76,790	152,797	138,009	14,787	4,740,287	624,658	186,925	3,928,704
Petroleum (including integrated) and coal products	2,005	45,617	32,464	6,738,680	6,678,678	60,002	16,513,979	4,974,994	130,028	11,408,957
Rubber and miscellaneous plastics products	23,910	15,585	27,439	7	7	—	350,235	2,535	2,561	345,139
Leather and leather products	—	—	—	—	—	—	6,302	178	—	6,124
Stone, clay, and glass products	—	6,830	20,943	—	—	—	325,650	1,730	9,695	314,225
Primary metal industries	—	122	64	9	5	4	345,272	75,925	17,882	251,465
Fabricated metal products	1	2,235	10,976	—	—	—	783,018	68,067	32,512	682,439
Machinery, except electrical	11,567	173,485	94,135	—	—	—	5,193,701	253,929	322,009	4,617,763
Electrical and electronic equipment	473	37,001	36,616	7,988	7,988	—	3,181,720	362,791	203,852	2,615,077
Motor vehicles and equipment	—	192,717	85,180	—	—	—	2,211,888	76,406	330,634	1,804,848
Transportation equipment, except motor vehicles	—	—	—	—	—	—	451,387	-6,029	4,507	452,909
Instruments and related products	414	3,733	96,475	—	—	—	1,379,773	43,807	189,140	1,146,826
Miscellaneous manufacturing products and manufacturing not allocable	—	1,064	1,140	—	—	—	77,282	-186	1,873	75,595
Transportation and public utilities	—	**38,564**	**105,668**	**104,688**	**98,270**	**6,418**	**1,128,047**	**99,852**	**52,311**	**975,884**
Transportation	—	1,525	8,199	—	—	—	259,569	97,308	27,312	134,950
Water transportation	—	—	—	—	—	—	57,691	—	—	57,691
Other transportation	—	1,525	8,199	—	—	—	201,878	97,308	27,312	77,258
Communication	—	3,650	14,522	—	—	—	501,949	11,797	11,011	479,141
Electric, gas, and sanitary services	—	33,388	82,947	104,688	98,270	6,418	366,529	-9,252	13,988	361,794
Wholesale and retail trade	**43**	**105,192**	**42,971**	**1,363**	**1,327**	**36**	**1,518,119**	**16,758**	**5,420**	**1,495,942**
Wholesale trade	17	90,653	41,041	1,363	1,327	36	681,862	30,888	4,167	646,808
Groceries and related products	—	—	—	—	—	—	*2,293	*41	—	*2,252
Machinery, equipment, and supplies	—	—	—	—	—	—	103,989	30,160	40	73,789
Miscellaneous wholesale trade	17	90,653	41,041	1,363	1,327	36	575,580	687	4,126	570,767
Drugs, chemicals, and allied products	17	374	395	—	—	—	24,253	2,390	—	21,864
Petroleum and petroleum products	—	—	—	—	—	—	*167,614	*-1,293	—	*168,907
Other miscellaneous wholesale trade	—	90,279	40,647	1,363	1,327	36	383,713	-410	4,126	379,996
Retail trade	26	14,539	1,930	—	—	—	836,256	-14,131	1,253	849,134
Building materials, garden supplies, and mobile home dealers	—	—	—	—	—	—	*38	—	—	*38
General merchandise stores	—	14,539	1,930	—	—	—	555,943	-14,000	—	569,943
Food stores	—	—	—	—	—	—	130,851	—	—	130,851
Automotive dealers and service stations	—	—	—	—	—	—	*2,560	—	—	*2,560
Apparel and accessory stores	*26	—	—	—	—	—	*49,036	*115	—	*48,921
Eating and drinking places	—	—	—	—	—	—	47,658	-3,070	—	50,728
Miscellaneous retail stores	—	—	—	—	—	—	50,171	2,824	1,253	46,094
Finance, insurance, and real estate	**2,062**	**6,408,712**	**652,324**	—	—	—	**12,138,014**	**7,401,327**	**19,710**	**4,716,977**
Banking	1,902	6,245,881	643,496	—	—	—	10,765,661	7,182,382	3,508	3,579,771
Credit agencies other than banks	—	134,227	3,301	—	—	—	14,372	—	—	14,372
Security, commodity brokers and services	—	19,377	109	—	—	—	89,186	16,114	—	73,072
Insurance carriers	160	5,632	156	—	—	—	1,071,765	202,269	16,202	853,294
Insurance agents, brokers, and services	—	3,596	5,234	—	—	—	65,925	561	—	65,364
Real estate	—	—	—	—	—	—	5,449	—	—	5,449
Holding and other investment companies except bank holding companies	—	—	28	—	—	—	125,655	—	—	125,655
Services	—	**3,068**	**137,742**	**1,082**	**1,082**	—	**740,585**	**3,116**	**135**	**737,334**
Hotels and other lodging places	—	1,584	6,210	—	—	—	30,311	14,003	—	16,308
Personal services	—	*48	—	—	—	—	*15,197	*595	—	*14,603
Business services	—	1,436	5,160	—	—	—	219,776	24,586	135	195,055
Auto repair; miscellaneous repair services	—	—	—	—	—	—	*1,924	—	—	*1,924
Amusement and recreational services	—	—	126,372	—	—	—	385,131	-28,472	—	413,603
Other services	—	—	—	1,082	1,082	—	88,246	-7,596	—	95,842

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	Foreign income and taxes reported on Form 1118—Continued									
	Taxable income (less loss)—Continued		Foreign taxes available for credit							
						Paid or accrued				
	Recapture of prior year foreign losses	After loss recapture	Total after reduction	Reduction for certain foreign taxes	Total before reduction	Total	Tax withheld at source on			Other taxes paid or accrued on
							Dividends	Interest	Rents, royalties and license fees	Branch income
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)
All industries	93,974	59,387,958	38,180,816	2,084,544	40,265,361	13,151,885	1,211,202	915,105	1,208,761	5,629,804
Agriculture, forestry, and fishing	*172	*22,828	*2,674	—	*2,674	*984	*58	*97	*820	*5
Mining	7,163	4,034,242	16,140,151	183,331	16,323,481	1,781,011	34,414	5,914	10,951	106,074
Metal mining	—	*45,785	*117,515	*1,716	*119,230	*45,439	*55	*42	*482	—
Coal mining	—	1,961	288	—	288	288	10	274	4	—
Oil and gas extraction	7,163	3,981,521	16,021,633	181,615	16,203,248	1,734,629	34,250	5,471	10,465	105,679
Nonmetallic minerals, except fuels	—	4,974	714	—	714	654	99	126	—	395
Construction	51	533,501	189,620	68	189,688	66,165	12,161	741	684	15,942
General building contractors and operative builders	—	192,550	61,603	68	61,671	30,295	5,731	(1)	10	7,431
Heavy construction contractors	51	331,609	124,336	—	124,336	34,867	5,934	558	443	8,511
Special trade contractors	—	9,342	3,681	—	3,681	1,003	495	183	232	—
Manufacturing	2,744	39,356,466	18,779,973	1,897,336	20,677,309	9,506,686	1,041,729	170,075	1,135,684	4,829,733
Food and kindred products	—	2,014,328	844,971	3	844,974	253,484	84,113	12,619	28,558	96,595
Tobacco manufactures	—	470,243	91,862	33	91,895	45,513	5,943	1,748	9,022	4,211
Textile mill products	—	70,493	36,909	—	36,909	6,245	4,249	46	1,352	36
Apparel and other textile products	—	135,496	41,347	—	41,347	12,399	3,596	1,442	6,716	1
Lumber and wood products	—	7,347	4,026	—	4,026	798	347	163	253	—
Furniture and fixtures	—	10,002	3,781	—	3,781	1,409	466	9	868	15
Paper and allied products	147	834,065	263,444	—	263,444	71,216	29,606	1,263	11,610	26,789
Printing and publishing	—	256,594	84,591	—	84,591	23,658	9,553	1,130	5,995	4,060
Chemicals and allied products	—	4,740,287	2,176,775	112,559	2,289,334	789,710	164,799	13,665	83,584	500,018
Petroleum (including integrated) and coal products	1,257	16,512,723	10,107,750	1,784,105	11,891,855	6,906,644	289,129	62,987	707,429	3,781,358
Rubber and miscellaneous plastics products	—	350,235	163,326	5	163,331	45,344	20,846	811	14,343	1,290
Leather and leather products	—	6,302	1,733	—	1,733	739	141	1	236	69
Stone, clay, and glass products	—	325,650	146,395	3	146,398	31,825	16,719	990	10,527	1,100
Primary metal industries	—	345,272	146,565	—	146,565	55,990	5,751	1,009	7,523	40,668
Fabricated metal products	67	782,951	291,848	41	291,889	88,363	44,175	4,174	13,546	20,957
Machinery, except electrical	182	5,193,519	1,642,399	7	1,642,406	517,252	173,960	26,107	145,314	125,687
Electrical and electronic equipment	18	3,181,702	1,137,110	544	1,137,654	403,152	76,847	11,058	51,546	177,345
Motor vehicles and equipment	425	2,211,463	1,006,786	35	1,006,821	123,188	46,845	27,419	10,032	21,975
Transportation equipment, except motor vehicles	—	451,387	119,780	—	119,780	28,977	14,009	963	5,917	3,717
Instruments and related products	849	1,379,124	443,790	—	443,790	93,175	48,984	1,745	17,917	23,516
Miscellaneous manufacturing products and manufacturing not allocable	—	77,262	24,783	—	24,783	7,604	1,645	705	3,393	327
Transportation and public utilities	73,156	1,054,893	332,362	3,504	335,866	142,957	14,084	2,597	14,063	23,865
Transportation	27,804	231,765	76,687	3,131	79,818	34,506	4,003	683	5,303	6,320
Water transportation	—	57,691	15,115	3,096	18,211	14,126	1	—	3,902	—
Other transportation	27,804	174,074	61,572	35	61,608	20,380	4,001	683	1,401	6,320
Communication	9	501,939	100,311	—	100,311	29,137	8,294	368	7,761	5,666
Electric, gas, and sanitary services	45,341	321,186	155,364	373	155,737	79,311	1,787	1,547	1,000	11,878
Wholesale and retail trade	7,692	1,510,427	661,219	8	661,226	120,330	51,286	16,048	12,105	23,819
Wholesale trade	996	680,866	379,453	8	379,461	67,786	28,576	6,999	5,073	13,328
Groceries and related products	—	*2,293	*624	—	*624	*432	*(1)	*161	*28	—
Machinery, equipment, and supplies	—	103,988	47,620	—	47,620	22,844	4,096	458	956	12,204
Miscellaneous wholesale trade	996	574,584	331,209	8	331,217	44,510	24,480	6,380	4,090	1,124
Drugs, chemicals, and allied products	—	24,253	12,472	1	12,472	3,021	1,641	57	830	311
Petroleum and petroleum products	*996	*166,618	*206,836	—	*206,836	*15,943	*13,336	*256	—	*3
Other miscellaneous wholesale trade	—	383,713	111,902	8	111,909	25,547	9,503	6,067	3,260	810
Retail trade	6,696	829,561	281,766	—	281,766	52,545	22,710	9,048	7,032	10,491
Building materials, garden supplies, and mobile home dealers	—	*38	*6	—	*6	*6	*6	—	—	—
General merchandise stores	6,574	549,369	183,460	—	183,460	27,357	13,771	6,590	1,383	4,505
Food stores	—	130,851	57,432	—	57,432	7,190	6,048	96	1,046	—
Automotive dealers and service stations	—	*2,560	*714	—	*714	*714	*696	*(1)	*16	—
Apparel and accessory stores	—	*49,036	*8,201	—	*8,201	*2,428	*217	*85	*363	*27
Eating and drinking places	121	47,537	14,284	—	14,284	9,654	396	2,106	4,118	2,630
Miscellaneous retail stores	—	50,171	17,648	—	17,648	5,196	1,573	172	106	3,329
Finance, insurance, and real estate	980	12,137,034	1,816,107	294	1,816,401	1,437,405	37,134	715,549	5,497	611,900
Banking	46	10,765,616	1,476,702	294	1,476,996	1,243,205	19,163	650,587	2,996	544,071
Credit agencies other than banks	—	14,372	4,219	—	4,219	1,037	565	228	3	—
Security, commodity brokers and services	—	89,186	20,620	—	20,620	8,190	1,612	448	—	4,814
Insurance carriers	45	1,071,720	237,069	—	237,069	174,260	8,757	63,846	479	63,015
Insurance agents, brokers, and services	—	65,925	24,500	—	24,500	3,240	2,203	172	145	—
Real estate	890	4,559	2,779	—	2,779	1,653	65	15	1,572	—
Holding and other investment companies except bank holding companies	—	125,655	50,219	—	50,219	5,819	4,768	253	302	—
Services	2,016	738,569	258,712	4	258,716	96,347	20,336	4,085	28,957	18,466
Hotels and other lodging places	—	30,311	11,466	—	11,466	8,600	1,067	111	1,451	2,909
Personal services	—	*15,197	*12,323	—	*12,323	*1,159	*958	*41	*49	—
Business services	2,016	217,760	93,622	4	93,626	32,043	4,641	3,578	3,527	12,924
Auto repair; miscellaneous repair services	—	*1,924	*301	—	*301	*301	—	*134	*146	—
Amusement and recreational services	—	385,131	117,024	—	117,024	39,923	13,387	60	23,059	2,265
Other services	—	88,246	23,976	—	23,976	14,321	283	160	723	367

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	Foreign income and taxes reported on Form 1118—Continued									
	Foreign taxes available for credit—Continued					Foreign tax credit computed			Income and taxes of related foreign corporations and DISC's	
	Paid or accrued—Continued			Deemed paid	Carryover	Before reduction for international boycott operations	Reduction for international boycott operations	After reduction for international boycott operations	Gains, profits and income	Taxes paid on gains, profits and income
	Service income	Partnership income	Other income							
	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)
All industries	**499,977**	**52,612**	**3,636,423**	**9,841,415**	**17,470,061**	**18,945,923**	**1,546**	**18,944,382**	**59,551,665**	**21,515,823**
Agriculture, forestry, and fishing	**—**	***6**	***1**	***1,475**	***215**	***1,905**	**—**	***1,905**	***12,219**	***3,461**
Mining	**170,170**	**742**	**1,452,746**	**333,529**	**14,208,941**	**1,610,794**	**—**	**1,610,798**	**1,713,274**	**525,520**
Metal mining	*38,530	—	*6,330	*81	*73,711	*20,972	—	*20,972	*791	*321
Coal mining	—	—	—	—	—	288	—	288	—	—
Oil and gas extraction	131,640	742	1,446,382	333,448	14,135,170	1,588,852	—	1,588,856	1,712,483	525,199
Nonmetallic minerals, except fuels	—	—	34	—	60	682	—	682	—	—
Construction	**15,771**	**8,083**	**12,783**	**99,456**	**24,064**	**175,178**	**—**	**175,178**	**524,206**	**166,759**
General building contractors and operative builders	5,602	68	11,453	20,106	11,268	54,103	—	54,103	160,111	23,170
Heavy construction contractors	10,144	8,015	1,262	77,681	11,788	118,911	—	118,911	344,091	136,992
Special trade contractors	25	—	69	1,669	1,009	2,164	—	2,164	20,004	6,597
Manufacturing	**276,486**	**18,460**	**2,036,550**	**8,351,354**	**2,817,268**	**14,778,071**	**1,533**	**14,776,539**	**48,958,329**	**18,529,377**
Food and kindred products	6,310	84	25,206	566,477	25,013	779,824	259	779,565	2,427,416	867,311
Tobacco manufactures	9,768	—	14,801	34,996	11,384	91,862	10	91,852	344,747	70,261
Textile mill products	56	211	292	26,443	4,221	23,516	—	23,516	98,006	12,178
Apparel and other textile products	405	15	224	27,343	1,605	40,491	—	40,491	167,130	58,488
Lumber and wood products	—	—	34	1,737	1,462	2,542	—	2,542	4,719	1,737
Furniture and fixtures	6	—	43	1,758	614	3,518	—	3,518	10,611	3,902
Paper and allied products	1,371	250	326	173,194	19,034	235,914	—	235,914	1,020,223	341,467
Printing and publishing	1,618	5	1,296	51,091	9,843	72,927	3	72,924	538,641	198,093
Chemicals and allied products	5,542	340	21,762	1,346,640	152,964	1,808,450	10	1,808,440	6,185,895	2,136,463
Petroleum (including integrated) and coal products	188,470	6,567	1,892,703	3,340,369	1,842,842	7,363,241	—	7,363,241	21,067,344	8,944,034
Rubber and miscellaneous plastics products	1,807	83	6,164	108,932	9,055	147,346	278	147,069	564,499	196,976
Leather and leather products	11	—	279	947	47	1,664	—	1,664	3,494	1,503
Stone, clay, and glass products	1,495	—	995	85,016	29,557	107,749	—	107,749	483,712	167,705
Primary metal industries	94	771	174	60,941	29,633	109,679	—	109,679	332,362	97,396
Fabricated metal products	806	—	4,703	197,765	5,761	254,586	—	254,586	1,253,460	504,258
Machinery, except electrical	24,789	4,218	17,178	1,114,262	10,892	1,593,969	193	1,593,796	6,424,017	2,587,657
Electrical and electronic equipment	38,318	3,450	44,586	453,245	281,257	781,138	89	781,049	2,790,221	760,820
Motor vehicles and equipment	10,980	2,466	3,471	311,437	572,195	799,331	—	799,331	2,983,685	640,744
Transportation equipment, except motor vehicles	3,925	—	425	90,104	700	116,927	—	116,927	384,036	116,812
Instruments and related products	240	—	774	345,351	5,263	422,827	692	422,135	1,603,335	742,613
Miscellaneous manufacturing products and manufacturing not allocable	422	—	1,112	13,305	3,874	20,551	—	20,551	70,777	28,957
Transportation and public utilities	**7,892**	**13,182**	**67,274**	**112,351**	**80,558**	**254,504**	**—**	**254,504**	**1,010,918**	**211,697**
Transportation	4,961	1,152	12,087	17,827	27,484	51,254	—	51,254	97,573	22,784
Water transportation	—	939	9,285	2,144	1,939	15,033	—	15,033	33,286	3,406
Other transportation	4,961	213	2,801	15,683	25,545	36,221	—	36,221	64,287	19,378
Communication	1,489	62	5,497	70,355	819	99,318	—	99,318	516,938	154,662
Electric, gas, and sanitary services	1,442	11,968	49,690	24,170	52,255	103,933	—	103,933	396,407	34,250
Wholesale and retail trade	**7,489**	**530**	**9,051**	**381,560**	**159,336**	**435,938**	(¹)	**435,937**	**4,590,742**	**1,272,609**
Wholesale trade	5,702	496	7,609	186,613	125,062	198,541	(¹)	198,541	2,062,895	460,619
Groceries and related products	*243	—	—	—	*192	*529	—	*529	—	—
Machinery, equipment, and supplies	—	—	5,127	18,954	5,822	28,608	—	28,608	60,234	23,639
Miscellaneous wholesale trade	5,459	496	2,481	167,659	119,048	169,404	(¹)	169,404	2,002,661	436,980
Drugs, chemicals, and allied products	14	—	167	7,793	1,658	10,035	—	10,035	46,354	16,375
Petroleum and petroleum products	*832	—	*1,516	*96,855	*94,038	*70,024	—	*70,024	*574,164	*192,543
Other miscellaneous wholesale trade	4,613	496	798	63,010	23,352	89,345	(¹)	89,345	1,382,143	228,062
Retail trade	1,787	34	1,442	194,947	34,274	237,396	—	237,396	2,527,847	811,990
Building materials, garden supplies, and mobile home dealers	—	—	—	—	—	*6	—	*6	—	—
General merchandise stores	766	—	341	134,750	21,374	148,620	—	148,620	2,220,470	729,347
Food stores	—	—	—	48,196	2,046	54,310	—	54,310	236,255	53,933
Automotive dealers and service stations	—	—	—	—	—	*714	—	*714	—	—
Apparel and accessory stores	*726	—	*1,011	*52	*5,721	*7,927	—	*7,927	*451	*57
Eating and drinking places	295	34	73	4,089	541	12,826	—	12,826	10,043	4,089
Miscellaneous retail stores	—	—	16	7,860	4,593	12,994	—	12,994	60,619	24,564
Finance, insurance, and real estate	**9,809**	**8,514**	**49,001**	**237,011**	**141,985**	**1,469,326**	**12**	**1,469,314**	**2,044,022**	**553,220**
Banking	617	454	25,317	120,761	113,030	1,172,871	12	1,172,858	1,323,615	342,306
Credit agencies other than banks	18	—	223	2,147	1,034	2,014	—	2,014	7,744	3,007
Security, commodity brokers and services	951	43	321	12,342	88	19,997	—	19,997	114,237	19,280
Insurance carriers	8,175	7,502	22,486	42,779	20,029	204,376	—	204,376	267,881	89,629
Insurance agents, brokers, and services	48	287	385	21,260	—	23,764	—	23,764	113,579	44,669
Real estate	—	—	(¹)	23	1,103	1,474	—	1,474	52	23
Holding and other investment companies except bank holding companies	—	228	268	37,699	6,702	44,831	—	44,831	216,914	54,304
Services	**12,391**	**3,095**	**9,018**	**124,676**	**37,692**	**220,208**	**—**	**220,208**	**697,953**	**252,981**
Hotels and other lodging places	716	79	2,268	2,384	482	11,022	—	11,022	6,391	2,895
Personal services	*14	—	*97	*6,599	*4,565	*6,066	—	*6,066	*88,481	*45,774
Business services	4,231	794	2,348	38,334	23,248	70,135	—	70,135	207,710	84,337
Auto repair; miscellaneous repair services	—	—	*18	—	—	*298	—	*298	—	—
Amusement and recreational services	85	88	979	74,002	3,098	115,053	—	115,053	367,392	116,754
Other services	7,346	2,134	3,307	3,357	6,299	17,635	—	17,635	27,979	3,422

Footnotes at end of table.

All Corporation Returns with Foreign Tax Credit

Table 1.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Major Industry—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Major industry	Foreign income and taxes reported on Form 1118—Continued								
	Income and taxes of related foreign corporations and DISC's—Continued								
					Income and taxes of first, second, and third-tier foreign corporations from which constructive distributions were received				
	Dividends paid or constructively distributed to domestic corporations	Taxes deemed paid by related foreign corporations	Dividends paid to related foreign corporations and DISC's by second-tier foreign corporations	Dividends paid to second-tier foreign corporations by third-tier foreign corporations	Gains, profits and income	Taxes paid on gains, profits and income	Dividends constructively distributed to domestic corporations	Taxes deemed paid by related foreign corporations	Taxes deemed paid by domestic corporations
	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
All industries	14,904,952	2,221,006	2,643,238	241,799	7,071,845	1,698,206	3,198,248	248,554	1,016,3
Agriculture, forestry, and fishing	*4,3[illegible]	—	—	—	*621	*582	*39	—	*
Mining	685,081	14,700	16,362	780	179,676	40,218	101,852	7,300	40,6
Metal mining	*118	—	—	—	—	—	—	—	—
Coal mining	—	—	—	—	—	—	—	—	—
Oil and gas extraction	684,963	14,700	16,362	780	179,676	40,218	101,852	7,300	40,6
Nonmetallic minerals, except fuels	—	—	—	—	—	—	—	—	—
Construction	194,484	3,231	6,626	—	99,046	16,024	28,784	3,231	9,4
General building contractors and operative builders	81,792	3,231	6,626	—	67,958	6,931	24,408	3,231	7,8
Heavy construction contractors	110,424	—	—	—	31,088	9,093	4,376	—	1,5
Special trade contractors	2,268	—	—	—	—	—	—	—	—
Manufacturing	12,025,496	2,033,334	2,406,744	174,680	5,904,144	1,529,020	2,530,266	181,364	846,4
Food and kindred products	795,304	137,655	211,859	17,676	395,697	158,018	116,858	14,545	94,3
Tobacco manufactures	94,472	47,245	92,220	60	118,823	32,196	30,792	641	10,5
Textile mill products	31,428	543	779	—	740	304	340	—	2
Apparel and other textile products	47,339	224	560	14	12,437	2,604	3,812	12	1,1
Lumber and wood products	2,982	—	—	—	—	—	—	—	—
Furniture and fixtures	3,902	—	—	—	374	77	173	—	
Paper and allied products	237,879	40,227	72,594	30,433	9,632	2,419	5,833	350	2,1
Printing and publishing	84,577	8,332	29,181	—	341	166	37	—	
Chemicals and allied products	1,904,880	166,009	235,594	10,991	1,058,981	239,351	441,998	75,204	204,8
Petroleum (including integrated) and coal products	3,511,016	896,148	903,210	3,230	1,289,196	432,280	360,979	51,344	196,9
Rubber and miscellaneous plastics products	166,432	3,541	6,255	—	25,205	9,567	6,106	—	3,7
Leather and leather products	1,370	—	—	—	793	245	546	—	2
Stone, clay, and glass products	123,492	14,101	18,074	2,312	20,368	3,994	8,422	553	2,8
Primary metal industries	96,320	15,123	34,530	26,919	82,127	6,148	8,882	—	2,9
Fabricated metal products	288,465	34,713	61,083	11,000	63,351	26,746	21,372	212	11,3
Machinery, except electrical	1,461,579	445,430	260,307	34,137	545,136	213,489	187,931	24,296	128,2
Electrical and electronic equipment	1,033,011	124,694	393,292	32,957	365,481	74,200	173,115	8,533	47,7
Motor vehicles and equipment	1,512,217	34,790	33,436	3,282	1,316,829	129,048	1,076,108	1,274	117,1
Transportation equipment, except motor vehicles	158,163	14,619	18,027	1,669	62,422	4,854	15,299	1,133	3,8
Instruments and related products	450,232	49,860	35,661	—	513,050	192,783	69,031	3,267	17,4
Miscellaneous manufacturing products and manufacturing not allocable	20,456	82	82	—	3,139	510	2,629	—	5
Transportation and public utilities	380,762	56,114	64,232	2,575	392,110	36,317	220,566	27,695	43,
Transportation	51,137	470	458	559	34,941	3,874	18,687	—	2,0
Water transportation	17,500	—	—	—	33,286	3,406	17,500	—	2,1
Other transportation	33,637	470	458	559	1,655	468	1,187	—	4
Communication	150,553	53,320	48,177	188	127,297	14,576	86,886	26,041	24,
Electric, gas, and sanitary services	179,073	2,324	15,596	1,828	229,872	17,868	114,992	1,654	16,0
Wholesale and retail trade	770,144	60,474	70,755	47,031	209,066	32,267	104,326	27,672	44,
Wholesale trade	300,562	38,425	36,004	3,581	126,627	22,031	46,029	24,789	32,0
Groceries and related products	—	—	—	—	—	—	—	—	
Machinery, equipment, and supplies	28,908	—	—	—	515	218	297	—	
Miscellaneous wholesale trade	271,656	38,425	36,004	3,581	126,112	21,813	45,732	24,789	31,
Drugs, chemicals, and allied products	14,573	40	132	—	206	30	176	40	
Petroleum and petroleum products	*119,173	*13,576	*22,241	—	*95,614	*15,040	*29,942	*4,643	*9,
Other miscellaneous wholesale trade	137,909	24,807	13,631	3,581	30,293	6,744	15,614	20,106	22,
Retail trade	469,582	22,049	34,751	43,451	82,439	10,236	58,297	2,883	12,
Building materials, garden supplies, and mobile home dealers	—	—	—	—	—	—	—	—	
General merchandise stores	386,693	10,427	*8,626	43,451	77,479	7,813	55,761	2,883	9,
Food stores	66,449	11,600	16,000	—	—	—	—	—	
Automotive dealers and service stations	—	—	—	—	—	—	—	—	
Apparel and accessory stores	*381	—	—	—	*294	*13	*281	—	
Eating and drinking places	5,954	—	—	—	4,666	2,410	2,255	—	2,
Miscellaneous retail stores	10,106	22	125	—	—	—	—	—	
Finance, insurance, and real estate	607,816	44,608	72,083	16,589	239,580	32,411	186,994	807	23
Banking	392,108	12,746	26,847	192	181,639	14,343	153,288	482	10,
Credit agencies other than banks	2,907	937	937	—	1,131	258	873	—	
Security, commodity brokers and services	23,940	1,376	4,423	—	13,126	3,513	9,511	—	3,
Insurance carriers	95,868	2,911	2,214	358	29,450	7,236	16,331	325	2,
Insurance agents, brokers, and services	25,342	14,141	15,439	5,983	267	32	235	—	
Real estate	29	—	—	—	—	—	—	—	
Holding and other investment companies except bank holding companies	67,621	12,497	22,223	10,055	13,965	7,030	6,755	—	6
Services	236,770	8,545	6,436	144	47,601	11,367	25,421	484	8
Hotels and other lodging places	3,392	—	—	—	2,294	819	1,475	—	
Personal services	*6,183	—	—	—	*282	*127	*155	—	*
Business services	53,225	7,688	5,396	—	4,623	1,602	1,321	—	
Auto repair; miscellaneous repair services	—	—	—	—	—	—	—	—	
Amusement and recreational services	154,967	857	1,040	144	15,876	6,469	5,848	484	4
Other services	19,004	—	—	—	24,526	2,351	16,622	—	2

*This estimate should be used with caution because of the small number of sample returns on which it was based.

[1] Less than $500 per return.

NOTE: Detail may not add to totals because of rounding.

Corporation Returns with Form 1118 Filed in Support of Foreign Tax Credit Claimed

Table 2. — Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Size of Total Assets

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Size of total assets	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from DISC's	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	**4,931**	**3,772,519,972**	**2,340,758,287**	**12,309,152**	**3,963,258**	**4,223,473**	**9,641,529**	**110,827,679**	**107,140,378**
Zero assets	50	—	7,053,765	5,980	9,336	2,151	7,251	254,584	249,588
$1 under $1,000,000	1,288	465,329	937,004	4,997	1,557	791	4,234	64,526	77,939
$1,000,000 under $10,000,000	1,443	5,363,237	8,537,303	17,917	16,048	10,684	18,963	622,143	549,450
$10,000,000 under $50,000,000	854	20,053,903	30,801,503	76,221	80,195	24,844	54,826	2,309,926	2,185,929
$50,000,000 under $100,000,000	259	18,302,387	26,535,972	164,797	64,143	7,637	114,287	2,080,290	1,887,433
$100,000,000 under $250,000,000	298	47,969,979	61,767,867	261,166	164,271	43,311	189,124	4,221,136	4,047,844
$250,000,000 under $500,000,000	186	67,848,601	91,005,420	352,954	196,909	57,524	230,562	5,400,276	5,159,163
$500,000,000 under $1,000,000,000	141	103,756,341	120,051,044	584,262	263,466	212,150	443,049	6,788,856	6,812,364
$1,000,000,000 or more	412	3,503,740,195	1,994,066,409	10,840,856	3,197,222	3,864,160	8,579,233	89,065,935	86,370,663

Size of total assets	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	Investment credit	Jobs credit	Other credits	U.S. income tax after credits	Foreign income and taxes reported on Form 1118	
									Gross income (less loss) excluding branch operations and specially allocable income	
	Total	Regular and alternative tax							Total	Dividends
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Total	**48,642,428**	**47,794,170**	**18,932,136**	**18,766**	**9,883,282**	**64,105**	**675,194**	**19,088,961**	**87,519,590**	**18,459,252**
Zero assets	114,326	112,867	41,729	—	9,279	832	1,542	60,945	2,431,721	13,697
$1 under $1,000,000	24,657	24,612	11,352	100	963	—	32	12,210	46,511	5,950
$1,000,000 under $10,000,000	224,932	222,953	40,054	136	19,242	2,276	5,083	158,142	256,111	29,375
$10,000,000 under $50,000,000	973,137	962,263	112,250	17,915	81,585	2,643	17,676	741,068	638,096	105,564
$50,000,000 under $100,000,000	857,916	851,035	179,796	—	76,801	2,071	12,025	567,224	660,174	181,153
$100,000,000 under $250,000,000	1,827,923	1,806,123	335,079	616	235,635	5,019	26,764	1,222,810	1,220,700	334,406
$250,000,000 under $500,000,000	2,346,962	2,322,536	360,048	—	336,161	6,806	35,904	1,588,043	2,002,760	436,467
$500,000,000 under $1,000,000,000	3,019,436	2,985,649	673,650	—	546,794	6,854	36,735	1,753,403	3,160,656	835,702
$1,000,000,000 or more	39,253,136	38,506,210	17,156,181	—	8,556,801	37,605	535,436	12,965,117	76,880,842	16,516,936

Size of total assets	Foreign income and taxes reported on Form 1118 — Continued									
	Gross income (less loss) excluding branch operations and specially allocable income — Continued			Total gross income (less loss) from extraction of oil or gas	Total deductions excluding branch operations and specially allocable income	Total deductions from oil and gas extraction income	Taxable income (less loss)			
							Before loss recapture			
	Dividend gross-up	Interest income	Other income				Total	Foreign branch income	Specially allocable income (Section 863(B))	Other than from branch operations and specially allocable income
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
Total	**9,641,417**	**22,497,860**	**36,921,060**	**25,561,544**	**44,180,091**	**7,992,911**	**59,481,932**	**14,572,145**	**1,570,287**	**43,339,500**
Zero assets	7,251	2,367,261	43,512	—	2,095,405	—	380,846	44,066	462	338,315
$1 under $1,000,000	4,216	3,423	32,920	46	16,057	—	30,805	351	—	30,453
$1,000,000 under $10,000,000	18,876	43,599	166,258	9,955	99,250	1,266	164,482	5,590	31	158,861
$10,000,000 under $50,000,000	54,822	56,451	621,258	95,582	445,539	49,864	417,930	15,144	10,229	392,557
$50,000,000 under $100,000,000	114,287	19,074	365,660	243,613	192,954	39,071	506,617	15,152	4,245	487,219
$100,000,000 under $250,000,000	189,118	71,219	625,957	83,055	347,436	574	922,433	17,175	31,994	873,264
$250,000,000 under $500,000,000	230,559	282,808	1,072,946	252,493	936,905	100,644	1,182,379	34,829	81,676	1,065,875
$500,000,000 under $1,000,000,000	443,049	246,286	1,635,619	249,731	1,000,108	75,312	2,297,561	88,569	48,424	2,160,548
$1,000,000,000 or more	8,579,235	19,427,741	32,356,929	24,627,067	39,046,436	7,726,160	53,578,880	14,351,248	1,393,225	37,834,407

Footnotes at end of table.

Corporation Returns with Form 1118 Filed in Support of Foreign Tax Credit Claimed

Table 2.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Size of Total Assets—Conti

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Size of total assets	Foreign income and taxes reported on Form 1118—Continued								
	Taxable income (less loss)—Continued		Foreign taxes available for credit						
						Paid or accrued on			
	Recapture of prior year foreign losses	After loss recapture	Total after reduction	Reduction for certain foreign taxes	Total before reduction	Total	Dividends	Interest	Rents, royalties and license fees
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
Total	**93,974**	**59,387,958**	**38,190,816**	**2,084,544**	**40,295,361**	**13,153,885**	**1,211,202**	**915,105**	**1,208,781**
Zero assets	—	380,846	53,906	—	53,906	41,369	963	33,941	1,740
$1 under $1,000,000	890	29,915	16,486	—	16,486	8,112	584	827	1,520
$1,000,000 under $10,000,000	121	164 360	60,082	—	60,082	27,530	1,760	3,616	6,040
$10,000,000 under $50,000,000	299	417,631	166,285	7,223	173,508	75,845	9,282	2,441	17,766
$50,000,000 under $100,000,000	67	506,550	199,653	6,577	206,230	76,986	11,905	1,792	8,628
$100,000,000 under $250,000,000	649	921,784	490,054	7,243	497,297	179,169	26,151	3,523	16,286
$250,000,000 under $500,000,000	3,535	1,178,844	456,730	13,064	469,794	159,015	33,933	8,436	15,831
$500,000,000 under $1,000,000,000	944	2,296,617	774,155	17,248	791,403	286,226	56,124	15,053	27,966
$1,000,000,000 or more	87,468	53,491,411	35,963,466	2,033,190	37,996,655	12,299,614	1,070,498	845,474	1,112,982

Size of total assets	Foreign income and taxes reported on Form 1118—Continued				
	Foreign taxes available for credit—Continued			Foreign tax credit computed	
	Paid or accrued on—Continued	Total deemed paid	Carryover available for credit	Before reduction for international boycott operations	Reduction for international boycott operations
	Other income				
	(40)	(41)	(42)	(43)	(44)
Total	**4,189,013**	**9,641,415**	**17,470,061**	**18,945,923**	**1,546**
Zero assets	1,525	7,250	5,287	41,729	—
$1 under $1,000,000	5,147	4,217	4,157	11,349	—
$1,000,000 under $10,000,000	14,525	16,878	13,675	40,146	—
$10,000,000 under $50,000,000	41,130	54,821	42,842	112,444	192
$50,000,000 under $100,000,000	46,747	114,267	14,957	180,005	8
$100,000,000 under $250,000,000	115,298	169,118	126,990	335,103	—
$250,000,000 under $500,000,000	80,503	230,559	80,221	380,052	3
$500,000,000 under $1,000,000,000	138,572	443,049	62,128	873,673	24
$1,000,000,000 or more	3,745,566	8,579,235	17,117,807	17,171,421	1,318

NOTE: Detail may not add to totals because of rounding.

Corporation Returns with Form 1118 Filed in Support of Foreign Tax Credit Claimed

Table 3.—Total Assets, Income, Taxes and Credits and Foreign Income, Taxes and Credit, by Type of Foreign Income for which Separate Credit was Computed

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Type of foreign income for which separate credit was computed	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends received from DISC's	Includable income of Controlled Foreign Corporations	Foreign dividend income resulting from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	**4,931**	**3,772,519,972**	**2,340,758,287**	**12,308,152**	**3,993,258**	**4,223,473**	**9,641,529**	**110,827,879**	**107,140,379**
Certain interest income	206	707,746,922	640,304,162	4,540,360	1,335,206	1,139,822	3,960,457	33,404,784	33,189,547
Dividends received from DISC's	116	458,412,060	415,769,283	2,331,865	1,463,422	1,635,841	1,987,463	21,145,562	20,927,458
Foreign oil related income	133	687,102,018	749,547,373	4,287,969	690,629	1,182,453	4,169,710	33,629,901	32,528,236
Foreign oil and gas extraction income	117	610,642,766	693,705,516	4,027,496	600,100	1,089,277	4,023,301	31,722,557	31,146,846
All other foreign source income	4,747	3,731,010,560	2,263,720,102	12,303,329	3,967,165	4,218,557	9,636,997	109,327,526	105,629,675

Type of foreign income for which separate credit was computed	U.S. income tax before credits		Foreign tax credit claimed	U.S. possessions tax credit	Investment credit	Jobs credit	Other credits	U.S. income tax after credits	Foreign income and taxes reported on Form 1118	
									Gross income (less loss) excluding branch operations and specially allocable income	
	Total	Regular and alternative tax							Total	Dividends
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Total	**48,642,428**	**47,794,170**	**18,932,138**	**18,766**	**9,863,262**	**64,105**	**675,194**	**19,088,961**	**87,519,590**	**18,459,252**
Certain interest income	15,239,418	15,034,955	7,837,355	—	2,843,858	9,928	225,171	4,323,105	762,175	—
Dividends received from DISC's	9,597,219	9,468,267	4,916,389	—	1,929,691	5,526	134,744	2,610,868	1,446,336	1,440,237
Foreign oil related income	14,876,635	14,894,234	9,617,106	—	2,193,587	4,090	50,710	2,811,142	25,413,729	4,260,521
Foreign oil and gas extraction income	14,286,340	14,110,935	9,665,947	—	2,090,081	4,075	45,887	2,460,350	25,133,376	4,103,182
All other foreign source income	47,988,501	47,158,545	18,624,476	18,766	9,762,995	62,219	673,620	18,846,425	59,897,350	12,758,494

Type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—Continued									
	Gross income (less loss) excluding branch operations and specially allocable income—Continued			Total gross income (less loss) from extraction of oil or gas	Total deductions excluding branch operations and specially allocable income	Total deductions from oil and gas extraction income	Taxable income (less loss)			
							Before loss recapture			
	Dividend gross-up	Interest income	Other income				Total	Foreign branch income	Specially allocable income (Section 863(B))	Other than from branch operations and specially allocable income
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
Total	**9,641,417**	**22,497,860**	**36,921,060**	**25,561,544**	**44,180,091**	**7,992,911**	**59,481,932**	**14,572,145**	**1,570,287**	**43,339,500**
Certain interest income	—	762,175	—	—	186,330	—	575,845	—	—	575,845
Dividends received from DISC's	6,099	—	—	—	228,325	—	1,218,011	—	—	1,218,011
Foreign oil related income	3,648,836	876,837	16,627,534	25,561,544	11,579,469	7,992,911	19,635,880	5,670,795	130,825	13,834,260
Foreign oil and gas extraction income	3,548,670	854,712	16,626,811	25,561,544	11,478,557	7,992,911	17,568,633	5,670,795	130,825	13,654,819
All other foreign source income	5,986,482	20,858,848	20,293,526	—	32,185,966	—	38,052,197	8,901,350	1,439,462	27,711,384

Type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—Continued									
	Taxable income (less loss)—Continued			Foreign taxes available for credit						
						Paid or accrued on				
	Recapture of prior year foreign losses	After loss recapture	Total after reduction	Reduction for certain foreign taxes	Total before reduction	Total	Dividends	Interest	Rents, royalties and license fees	Branch income
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
Total	**93,974**	**59,387,958**	**38,180,816**	**2,084,544**	**40,265,361**	**13,153,885**	**1,211,202**	**915,105**	**1,208,761**	**5,629,804**
Certain interest income	47	575,798	41,038	—	41,038	40,227	—	40,227	—	—
Dividends received from DISC's	—	1,218,011	6,479	—	6,479	366	366	—	—	—
Foreign oil related income	46,545	19,589,335	26,244,076	2,079,985	28,324,060	8,752,612	277,727	27,368	706,436	4,150,571
Foreign oil and gas extraction income	46,545	19,409,893	26,009,097	2,078,796	28,089,081	7,027,234	262,910	27,307	706,421	4,150,571
All other foreign source income	47,382	38,004,815	11,889,223	4,560	11,893,783	4,360,681	933,109	847,511	502,325	1,479,233

Type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—Continued					
	Foreign taxes available for credit—Continued			Foreign tax credit computed		
	Paid or accrued on—Continued	Total deemed paid	Carryover available for credit	Before reduction for international boycott operations	Reduction for international boycott operations	After reduction for international boycott operations
	Other income					
	(40)	(41)	(42)	(43)	(44)	(45)
Total	**4,189,013**	**9,641,415**	**17,470,061**	**18,945,923**	**1,546**	**18,944,382**
Certain interest income	—	—	812	39,921	—	—
Dividends received from DISC's	—	6,099	15	6,474	—	—
Foreign oil related income	3,590,510	3,648,836	15,922,612	8,939,339	—	—
Foreign oil and gas extraction income	3,583,863	2,721,956	139,977	8,860,966	—	—
All other foreign source income	598,503	5,986,480	1,546,623	9,960,190	—	—

NOTE: The data in columns 1-17 pertain to the total activity of the domestic parent corporation. Since many corporations compute a foreign tax credit for more than one type of foreign income, the data in these columns are not additive. The data in columns 44 and 45 are reported as corporate totals only, not by type of income. The data in columns 18-22, 24, 27-32, 34, 36-40, and 43 of the foreign oil and gas extraction income line represent the amounts of total foreign oil related income and tax for those corporations reporting foreign oil and gas extraction income and taxes. The data in columns 23, 25, 26, 33, 35, 41, and 42 of the foreign oil and gas extraction income line are the actual foreign oil and gas extraction income and tax amounts. Form 1118 detail may not add to totals because of rounding.

High-Income Returns, 1983

By Allen Lerman*

Although only a small number - representing only a tiny fraction - of Federal individual income tax returns reporting incomes of at least $200,000 do not show any tax liability, the actual number of such returns and their share of all high-income returns rose dramatically for 1983. As measured by adjusted gross income (AGI), the number of high-income returns not showing any income tax liability to either the United States or a foreign government increased by 194 percent, from 109 in 1982 to 321 for 1983. From 1982 to 1983, the proportion of all high-income returns that were nontaxable rose by 153 percent, to 0.162 percent of all high-income returns. Although precise increases varied depending on the definitions of income and nontaxability used, increases in the numbers and frequencies of nontaxable, high-income returns for 1983 were significant regardless of definition [1].

Actual numbers of nontaxable, high-income returns for 1983 reached the highest levels in recent history. Their proportion continued, at an accelerated pace, the steady upward creep occurring since 1979.

This article is part of a continuing series of reports summarizing the characteristics of high-income returns and the numbers of nontaxable, high-income returns since 1974.

The Tax Reform Act of 1976 required annual publication of data on individuals with high incomes as defined under four different income concepts, including the number of such individuals who did not pay any income tax and the importance of various tax provisions in making those individuals nontaxable [2]. Reports covering 1974 through 1976 and including the basic data and analyses of their implications were published by the U.S. Department of the Treasury's Office of Tax Analysis [3]. To make high-income data available to a wider audience, since 1979 selected data for high-income individuals, taxable as well as nontaxable, have been published, without analysis, by the Internal Revenue Service in separate chapters of each year's Statistics of Income--Individual Income Tax Returns [4]. Publication of the 1983 data in the Statistics of Income Bulletin provides more scope for discussion of the data and of the implications of any changes.

This article is divided into four sections. The first, "Income Concepts: A Primer," describes and explains the differences between the two major and two minor concepts used to measure income. The second, "Measurement of Taxes," discusses the proper measurement of income tax burdens and explains the different treatment of the foreign tax credit, outlines the methodology used to equate the importance of exclusions and deductions as compared with tax credits, and reviews certain limitations in the data underlying this article. The third, "High-income Tax Returns for 1983," describes the contents of the data tables accompanying this article and includes selected observations about significant changes from previous years. The Fourth, "Increases in Nontaxable, High-income Returns, 1983," discusses some possible reasons for increases in the numbers of nontaxable, high-income returns for 1983.

INCOME CONCEPTS: A PRIMER

Economic Income, the Ideal Measure

High-income tax return data are published to help analysts assess the equity of the income tax system and its impact on high income families and individuals. For this purpose, both income and income taxes must be measured accurately.

Economists generally agree that for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the value of what the individual or family consumed over that period plus the change, if any, in its net worth [5]. For example, if during a year a family spent $10,000 and saved $2,000, economists would say the family had an income of $12,000. Similarly, if the family spent $10,000 but owned an asset such as an automobile that has decreased in value by $1,000, economists would say that the family had an income of only $9,000.

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A brief examination of the differences between income as defined by economists, often called economic income, and the adjusted gross income (AGI) concept, currently used for Federal income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

Adjusted Gross Income

The concept of adjusted gross income was developed for tax administration. It was never meant to be an accurate measure of so-called economic income. Indeed, it is well recognized that AGI is deficient as a measure of economic income. AGI excludes certain types of income, such as interest from tax-exempt state and local government bonds, Social Security benefits, imputed rent on owner-occupied housing, and the value of many employee fringe benefits. Also, while not strictly excluded from AGI, income from other activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes that exceed the decrease in the economic value of an asset often reduce AGI below economic income early in an asset's life. The resulting lower depreciation deductions in later years may raise AGI above economic income. The net effect, however, of accelerated depreciation is to postpone taxes, perhaps indefinitely [6].

Adjusted gross income excludes most changes in net worth, such as the excluded portion of realized long-term capital gains and all accrued, but unrealized, capital gains [7].

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses, however, are deductible from AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions. Expenses falling into this category include certain expenses incurred by employees (such as union dues and expenditures for items used on-the-job but not reimbursed by the employer) and expenses attributable to a taxpayer's investments (as opposed to active operation of a trade or business), including, but not limited to, interest expense incurred in connection with investments in securities. Although net capital losses reduce economic income, only the first $3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. Moreover, only 50 percent of realized, net long-term capital losses may be deducted in computing AGI.

Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate, detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and expenses that ought to be deductible in calculating economic income [8].

Omitted Income and Accelerated Deductions

Tax returns contain information about only a portion of the income included in economic income but excluded from AGI. The omitted income that can be identified on tax returns consists of the excluded portion of long-term capital gains (and current-year losses in excess of currently deductible amounts), the dividend exclusion of up to $100 per tax return (up to $200 on joint returns), the "all-savers" interest exclusion, payments to Keogh and IRA pension savings plans, and income from sources considered to be tax preferences for purposes of the alternative minimum tax. For 1983, unless such preferences were large enough to result in payment of alternative minimum tax, taxpayers did not have to file Form 6251 (Alternative Minimum Tax Computation), and the total amount of most types of 1983 preference income is not known [9].

Even after including preference income which is not in AGI but which is identifiable on tax returns, several major sources of income for high-income taxpayers are still omitted:

- Interest on tax-exempt state and local bonds;
- All accrued but unrealized income, primarily unrealized capital gains;
- Certain agricultural expenses deducted when paid, even though related income items are not includable in income until a later year;
- Imputed rental income from owner-occupied housing and from consumer durables;
- Straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation;
- Income "sheltered" from taxation -- primarily partnership income -- through deferral of the recognition of income

for tax purposes and/or the acceleration of deduction items; and

- The value of employee fringe benefits [10].

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods may produce tax depreciation deductions exceeding economic depreciation, especially in the early years of ownership. In the future, income may be correspondingly higher, but in the meantime, the taxpayer has had the interest-free use of the deferred taxes. Also, if taxed in the future, the income may be converted into a long-term capital gain, which is taxed at a lower rate than is ordinary income.

Because income sources not identifiable from tax return data are excluded, all income measures used in the data for this article may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, even for individuals who are included, the income of some has been understated, and tax as a percentage of income (i.e., the effective tax rate) has been overstated.

Investment Expenses

In measuring economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, including accrued capital gains and losses, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent net economic losses, roughly akin to "net operating losses" from a trade or business. However, such a liberal deduction for investment-related expenses is not necessarily correct when all income items have not been included currently.

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets.

As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating a broader measure of income.

Investment expenses that have not been deducted in determining AGI generally appear on a Federal individual income tax return in two places. Investment interest appears as part of the itemized deduction for interest; other investment expenses such as management fees are included in the miscellaneous category of itemized deductions [11]. To determine expenses that should be deductible in calculating an approximation to economic income, investment expenses have been defined as the entire interest deduction other than the interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous deductions." Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they have been allowed as a deduction in the computation of a broader measure of income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly measured income. However, in some instances, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses. This arbitrary procedure has been selected because, with the omission of accrued capital gains from measured income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

The amount of investment income against which investment interest can be offset depends on the amount of investment income included in the income measure under consideration. Investment income consists of interest, dividends, and net capital gains (or losses). However, if only a portion of capital gains are included in the income concept, as is the case with AGI, then only that portion is considered to be investment income. A similar adjustment is also made for the dividend exclusion of up to $100 per tax return ($200 on a joint return) and for the all-savers exclusion for interest income.

Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income plus items of tax preference income excluded from AGI less investment expenses to the extent that they do not exceed investment income [12]. Tax preferences considered are the $100-per-tax-return exclusion for qualifying dividends ($200 on a joint return), excluded "all-savers" interest, the excluded portion of net long-term capital gains, and, where the taxpayer has filed a Form 6251 (Alternative Minimum Tax Computation), all other excluded income preferences subject to the minimum tax [13]. For individuals, the only preference income items of significance other than the excluded portion of capital gains are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease, the excess of percentage depletion over the cost of the property, and deductions for intangible drilling costs in excess of the amounts deductible if these costs had been amortized. Because expanded income is based on tax return data, it excludes items such as interest on tax-exempt state and local bonds, accrued but unrealized capital gains, straight-line depreciation on real estate in excess of economic depreciation, most employee fringe benefits, and other items mentioned under "Omitted Income and Accelerated Deductions."

Four Income Measures

The Congress has mandated that high-income tax return data be selected and classified on the basis of four definitions of income. Expanded income and AGI have already been discussed. Each of the two other measures embodies only one of the two major differences between expanded income and AGI. "Adjusted gross income plus tax preferences" is AGI plus the amount of tax preference income excluded from AGI. "Adjusted gross income less investment interest" is AGI less the amount of investment interest to the extent that it does not exceed investment income.

When ranked according to size of income, AGI plus references is largest, AGI less investment interest is smallest, and AGI and expanded income fall in the middle. For any given taxpayer, AGI can be larger or smaller than expanded income depending on whether preferences are larger or smaller than investment interest.

The four income concepts are related in the following manner [14]:

Expanded income
= Adjusted gross income + preferences -
investment interest

Adjusted gross income
= Expanded income - preferences +
investment interest

Adjusted gross income plus preferences
= Adjusted gross income + preferences

or = Expanded income + investment interest

Adjusted gross income less investment interest
= Adjusted gross income - investmen
interest

or = Expanded income - preferences

Expanded income is the measure which mos closely approximates economic income.

MEASUREMENT OF TAXES

Foreign Tax Credits: Worldwide Taxes o Worldwide Income

Just as income must be measured properly, s must income taxes.

United States income taxes are based on globa (worldwide) income. Thus, U.S. citizens ar residents generally must include income on thei U.S. income tax returns regardless of whethe it has been generated in the United States c in a foreign country. However, when a taxpaye has foreign source income, the U.S. income ta computed on global income may often be reduce dollar-for-dollar by the amount of forei income taxes that have been paid on that fo eign income. These offsets for foreign incom taxes are called "foreign tax credits" [15].

Statistics of Income (SOI) data collected a by-product of tax administration inclu global income as reported on U.S. income t returns. The SOI data, however, usual include only U.S. income taxes net of t foreign tax credits that represent offsets f foreign income tax payments. Where taxpaye have income from foreign sources, this pr cedure understates their tax liabilities a their effective tax rates. Since worldwi income is reported on U.S. tax returns, a mo accurate measure of the tax burden imposed that income would be obtained if all inco taxes--U.S. as well as foreign--were al included. Analysis of high-income tax retur indicates that a substantial portion of the so-called nontaxable, high-incomes have large shares of their income from non-U.S. sources and have paid substantial amounts of foreign income taxes on that income. Thus, it does not seem appropriate to classify these individuals as nontaxable or to classify their foreign tax credits as special tax benefits.

In order to present a more realistic picture of the number of nontaxable, high-income tax returns and the reasons they were nontaxable, several tables and charts in this article have been prepared by redefining income tax liability to consist of the total amount of U.S. income taxes (income taxes after credits plus the alternative minimum tax) plus the amount of foreign tax credits. Because information on foreign tax liabilities is not available on U.S. income tax returns, foreign tax credits were selected as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates, and in certain other instances, foreign tax credits actually will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign taxes understates global income tax liability. In cases in which foreign tax credits are for taxes paid on income from earlier years, use of foreign tax credits may either overstate or understate global taxes on the current year's income.

Tables redefining tax liability to include the foreign tax credit attempt to present an approximation of the true worldwide (global) income tax burden on worldwide income. For the vast majority of taxpayers--with high incomes or otherwise--this adjustment is irrelevant, for they have little or no foreign source income. However, for the small proportion of taxpayers with substantial foreign income, this adjustment is important. The policy implications of a person with a very large amount of income not paying U.S. income tax certainly would be different if U.S. nontaxability were the result of the person's living and working abroad and paying substantial amounts of foreign tax than if all income were from U.S. sources and the person paid no income tax to either the U.S. government or any other government.

In order to be consistent with data from earlier years, all tables showing nontaxability or the amount of taxability on the basis of worldwide tax liability have been duplicated by other tables with tax liability defined in the more traditional way used for tax administration purposes: U.S. income tax liability after subtracting the value of any foreign tax credits.

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences and the income averaging tax computation), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield tax before credits" and "taxable income which would yield tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated affects the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first.

The deduction equivalents of tax credits shown in the accompanying tables were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

Share of Income Subject to Tax

The total impact of various deductions, exclusions, tax credits, and special tax computations can be measured only if the aggregate value of all of, or groups of, these items in reducing, or increasing, income taxes is put on a comparable basis. Two often-used measures of the value of deductions and exclusions are the share of income that has been excluded from tax and the share of income that remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to taxable income defined in the ordinary manner. Doing so yields what the tables accompanying this article call "taxable income which would yield income tax before credits," "taxable income which would yield income tax after credits," and "taxable income which would yield total income tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures have been computed by using the tax rate schedules to calculate the amounts of taxable income that would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amounts of tax.

Unaudited Data

Tax return data used in the Statistics of Income program have been tabulated as they have been reported on tax returns filed with the Internal Revenue Service. Certain, obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that are likely to be made in the future as a result of IRS audits. While this is true of data throughout the entire SOI program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

HIGH-INCOME TAX RETURNS FOR 1983

This section contains 13 tables and four charts with data from income tax returns, mainly those with incomes of $200,000 or more. Data are shown for all returns, and separately for taxable and nontaxable returns. Data in Tables 1 through 12 are from 1983 income tax returns. Data in the remaining table (Figure A) and in the four Charts (Figures B through E) summarize nontaxable, high-income returns from 1977 through 1983.

Separate parts of four of the 1983 tables contain data on high-income returns as defined by each of four different income concepts. In the remaining 1983 tables, data are depicted for the two main income concepts, adjusted gross income and expanded income.

The tables show:

- The numbers of high-income returns (total, taxable, and nontaxable) under the various income concepts (Tables 1 and 2);
- The numbers of high-income, non-taxable returns and the relative frequency of such returns from 1979 through 1983 (Figures A through E);
- The distributions of taxable income as a percentage of total income (Tables 3 and 4);
- The distributions of effective tax rates, that is, income tax as a percentage of income (Tables 11 and 12);
- The frequencies and amounts of various sources of income, exclusions, deductions, and tax credits, as well as the relationships between all four income concepts used in this article (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 7 and 8); and
- The frequencies with which various itemized deductions and tax credits occur as certain percentages of income (Tables 9 and 10).

Tables 1, 3, 5, 7, 9, and 11 and Figures B and D contain data with foreign tax credits treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 2, 4, 6, 8, 10, and 12 and Figures C and E are similar to the first set of tables and figures but treat foreign tax credits as part of the individual's income tax liability. Figure A includes both types of data. This different treatment is explained in more detail under the heading "Foreign Tax Credits."

Numbers of High-Income Tax Returns

For 1983, the numbers of tax returns with incomes of $200,000 or more ranged from 187,321 to 262,453, depending on the income concept. These numbers represent from 0.19 percent to 0.27 percent of all tax returns filed. (Tables 1 and 2.)

For 1983, there were 249,319 income tax returns with expanded income of $200,000 or more. Of these, 579, or 0.232 percent, had no U.S. income tax liability, and only 437, or 0.175 percent, showed no worldwide income tax liability.

There were 198,608 tax returns with AGI of $200,000 or more. Of these, 447, or 0.225

Figure A.--Nontaxable Returns With Income of $200,000 or More: Number and Percent of Returns by Income Concept, 1977-1983

Income concept	1977		1978		1979	
	Number	Percent[1]	Number	Percent[1]	Number	Percent[1]
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with no total income tax:						
Adjusted gross income(AGI)	60	.112%	98	.143%	70	.075%
Expanded income	85	.126	105	.123	114	.093
AGI plus excluded preferences	95	.134	113	.125	127	.098
AGI less investment interest	52	.104	90	.140	56	.064
Return with no modified total income tax:						
Adjusted gross income(AGI)	37	.069%	60	.088%	28	.030%
Expanded income	64	.095	67	.079	64	.052
AGI plus excluded preferences	72	.101	75	.083	74	.057
AGI less investment interest	31	.062	52	.081	18	.021

Income concept	1980		1981		1982		1983	
	Number	Percent[1]	Number	Percent[1]	Number	Percent[1]	Number	Percent[1]
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Returns with no total income tax:								
Adjusted gross income(AGI)	143	.122%	226	.164%	262	.155%	447	.225%
Expanded income	198	.132	304	.174	299	.144	579	.232
AGI plus excluded preferences	242	.152	363	.194	385	.175	810	.309
AGI less investment interest	120	.110	188	.147	223	.140	229	.122
Returns with no modified total income tax:								
Adjusted gross income(AGI)	56	.048%	79	.057%	109	.064%	321	.162%
Expanded income	114	.076	114	.065	153	.074	437	.175
AGI plus excluded preferences	154	.097	156	.083	232	.105	663	.253
AGI less investment interest	36	.033	54	.042	78	.049	108	.058

[1] Percent of all returns with income $200,000 or more, for each concept.

Figure B.

Number and Percent of Returns with Adjusted Gross Income of $200,000 or More Without Total Income Tax, 1977-1983

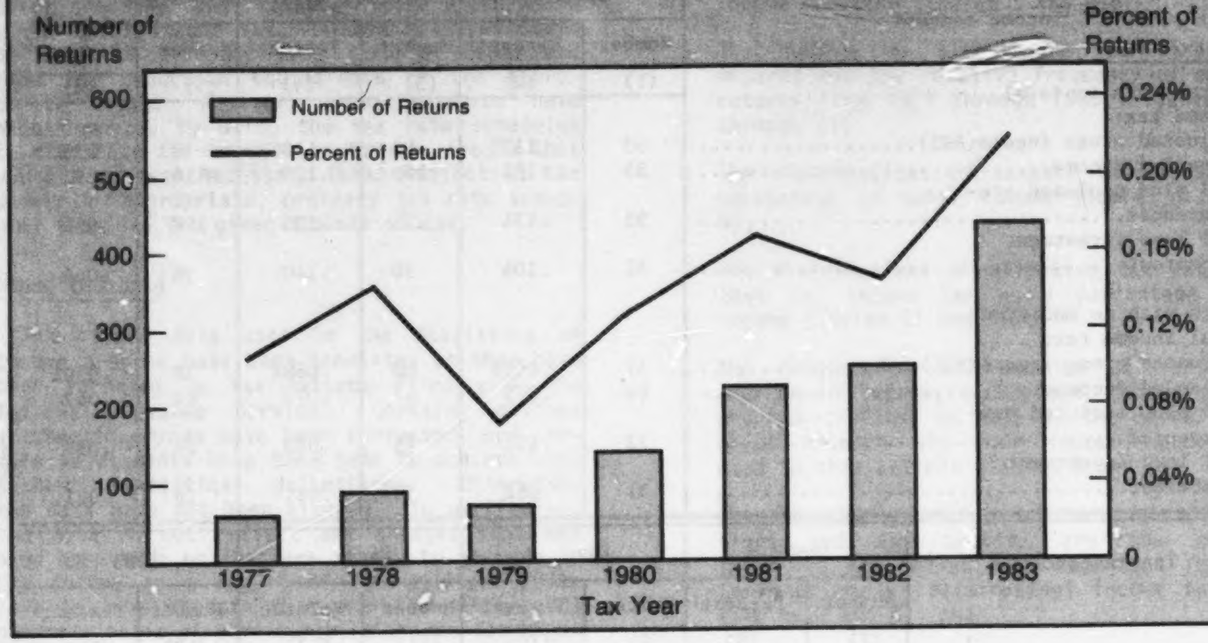


Figure C.

Number and Percent of Returns with Adjusted Gross Income of $200,000 or More Without Total Income Tax as Modified for the Foreign Tax Credit, 1977-1983

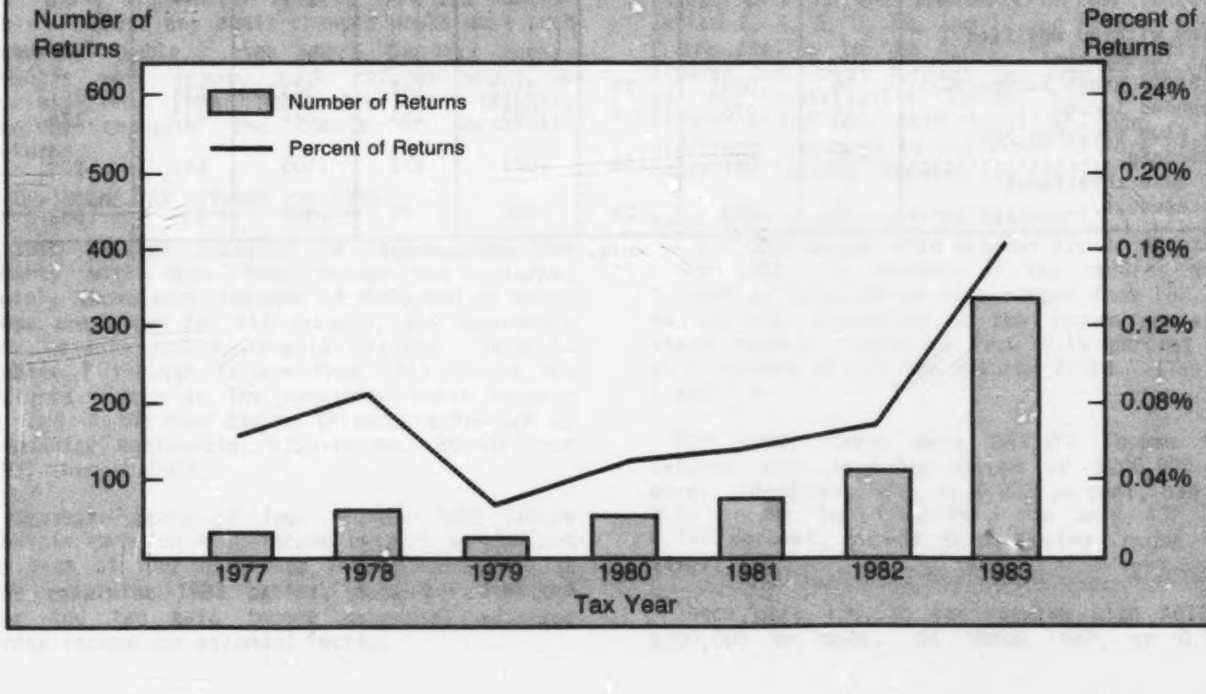


Figure D.

Number and Percent of Returns with Expanded Income of $200,000 or More Without Total Income Tax, 1977-1983

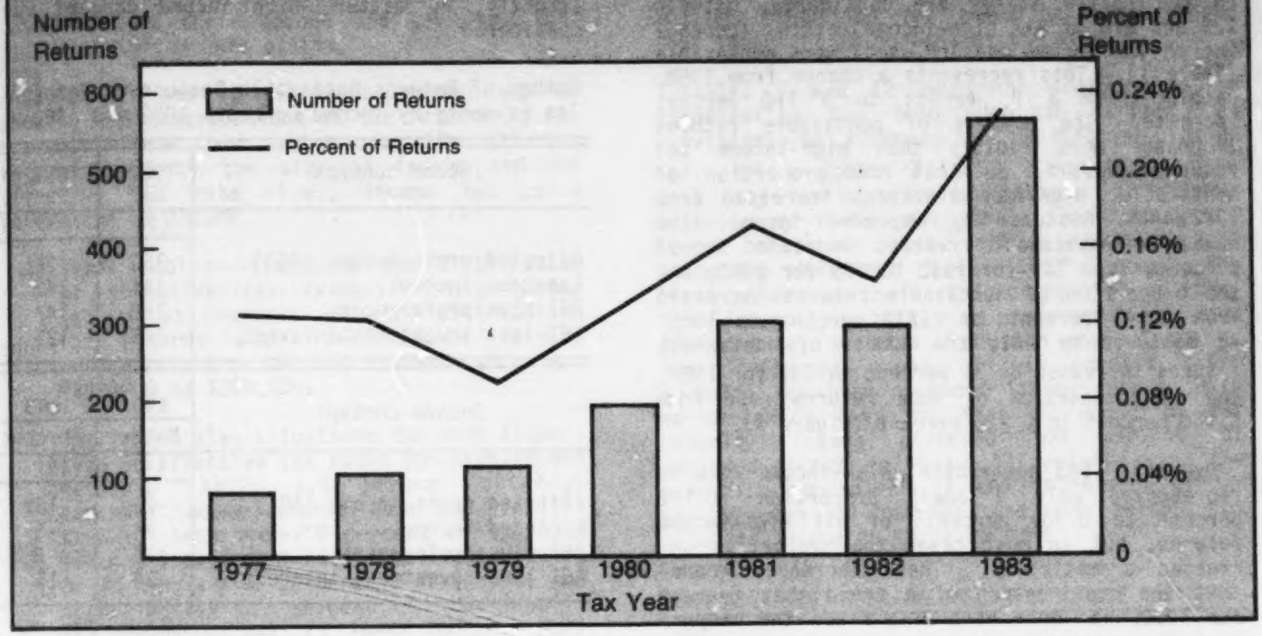
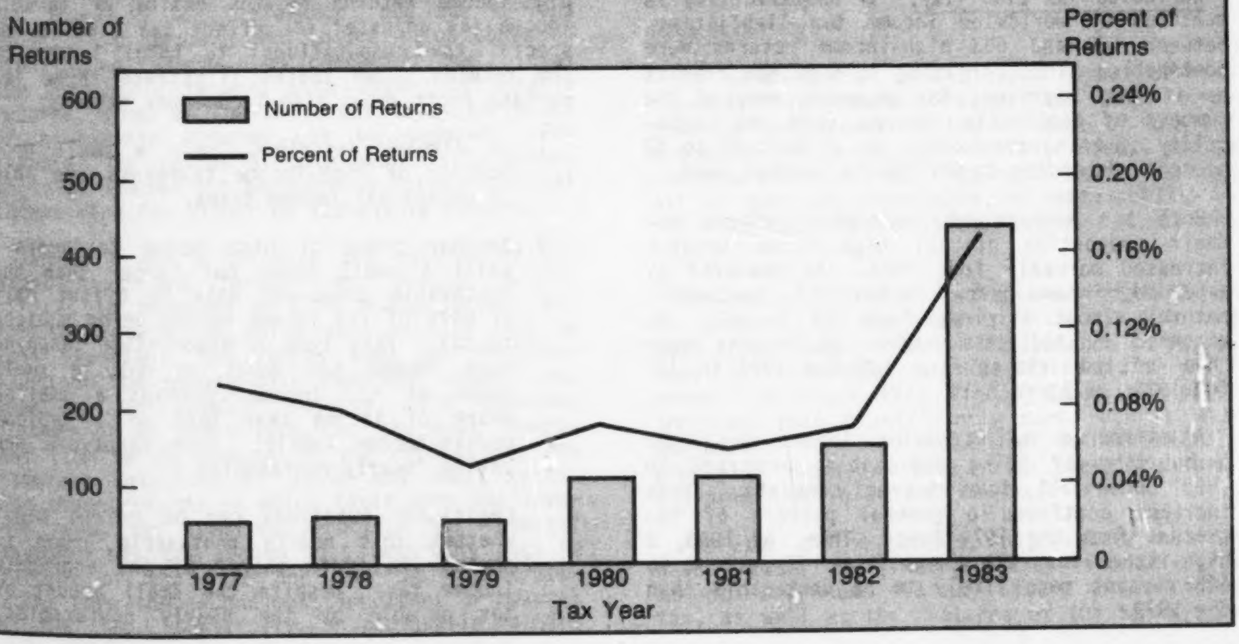


Figure E.

Number and Percent of Returns with Expanded Income of $200,000 or More Without Total Income Tax as Modified for the Foreign Tax Credit, 1977-1983



percent, reported no U.S. income tax, and 321, or 0.162 percent, had no worldwide tax liability.

U.S. Tax Liability. If only income payable to the United States are considered, between 229 and 810 of all high-income returns (depending on the income measure used) were nontaxable (Table 1). This represents a change from 1982, ranging from a 3 percent to a 110 percent increase. The numbers of nontaxable returns increased more rapidly than high-income tax returns overall, so that the proportion of nontaxable, high-income returns increased from 1982. As measured by expanded income, the number of nontaxable returns increased by 93 percent, from 299 for 1982 to 579 for 1983, and the proportion of nontaxable returns increased from 0.144 percent to 0.232 percent in 1983. As measured by AGI, the number of nontaxable returns increased by 71 percent to 447 for 1983, and the proportion of such returns rose from 0.155 percent to 0.225 percent (Figure A).

Overall, 1983 nontaxable, high-income returns represented only a small proportion (0.122 percent to 0.309 percent) of all high-income returns, but in most cases the proportion increased dramatically. These increases represent the continuation of a trend that, except for 1982, has been occurring since the proportion of nontaxable, high-income returns reached historical lows in 1979. As measured by expanded income, a high-income return was two and one-half times more likely to be nontaxable for 1983 than for 1979. As measured by AGI, the probability that a high-income return would be nontaxable had tripled (Figure A).

Worldwide Tax Liability. If nontaxability is measured by worldwide income tax liabilities, between 108 and 663 high-income returns were nontaxable. Thus, treating foreign tax credits as if they represent tax payments reduced the numbers of nontaxable returns (and the probability of being nontaxable) by 25 percent to 53 percent, depending on the income concept used.

Both the numbers of nontaxable returns and their proportion of all high-income returns increased markedly from 1982. As measured by expanded income, the number of nontaxable returns almost tripled, from 153 to 437. As measured by AGI, the number of returns more than tripled, rising from 109 for 1982 to 321 for 1983. (Figure A.)

As measured by worldwide income tax, the probability of being nontaxable increased in 1983 under all four income concepts. This increase continued a general pattern of increases from the 1979 lows. Thus, by 1983, a high-income tax return was from 176 percent to 440 percent more likely to be nontaxable than for 1979.

Data in Figure A can be used to calculate the numbers of nontaxable returns due primarily to foreign income tax payments, as evidenced by foreign tax credits. Between 1982 and 1983, the number of such returns actually declined slightly, no matter which income concept was considered.

Number of Returns Nontaxable Because of Foreign Tax Payments by Income Concept, 1982 and 1983

Income concept	1982	1983
	(1)	(2)
Adjusted gross income (AGI)...	153	126
Expanded income...............	146	142
AGI plus preferences..........	153	147
AGI less investment interest..	145	121

Income concept	Change 1982 to 1983	
	Number	Percent
	(3)	(4)
Adjusted gross income (AGI)...	-27	-18%
Expanded income...............	-4	-3
AGI plus preferences..........	-5	-3
AGI less investment interest..	-24	-17

The declines as percentages of all high-income returns were even larger. Thus, the increase in the numbers of nontaxable, high-income returns for 1983 is not attributable to the foreign income taxes or foreign tax credit.

Tables 3 and 4 show the distributions of high-income returns by the ratios of taxable income (as adjusted to reflect tax credits and special tax computations) to total income on the returns. The tables illustrate three important facts about high-income tax returns.

1. As already described, only a small proportion of high-income taxpayers are able to escape all income taxes.

2. Another group of high-income taxpayers--still a small group but larger than the nontaxable group--is able to offset half or more of its income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of its income, perhaps a smaller share of income than that of a typical median-income family. Such taxpayers are called "nearly nontaxables."

   Legitimate questions can be raised about whether this nearly nontaxable group is paying its "fair share" of the aggregate income tax. Despite the small amount of tax payable by the nearly nontaxables, they have escaped the notoriety accorded high-income tax returns showing absolutely no tax liability.

3. Overall, a large portion of high-income taxpayers are subject to tax on a large share of their income and pay very substantial amounts of tax.

Tables 11 and 12 represent another way of showing the distributions of tax returns by tax burden. These two tables classify all tax returns by both the size of income and the effective tax rate, i.e., income tax as a percentage of income.

1. These tables illustrate the distribution of effective tax rates for high-income returns as compared with the distribution for returns with lower income levels: under $50,000; $50,000 to $100,000; and $100,000 to $200,000.

2. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. While 1.6 percent of high expanded income returns show tax liabilities of less than 10 percent of expanded income, 1.6 percent had effective tax rates of 45 percent to 50 percent of income, and approximately 0.2 percent had tax liability exceeding half of their income. More than 82 percent had average tax rates ranging from 15 percent to 45 percent of income, with over half of high-income taxpayers having effective tax rates between 20 percent and 40 percent of income.

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income; the items of tax preference; and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, the ratios of both partnership income to total income and partnership losses to total income were far higher on nontaxable returns.

Tables 7 and 8 classify tax returns by the items that had largest and second largest effects in reducing or eliminating income tax. For the returns on which each primary item is most important, the tables show the distributions of the second most important items. For example, on taxable returns with expanded incomes of at least $200,000, the most important item on 45 percent of the returns was the itemized deduction of state and local taxes. For those returns on which taxes were the largest item, the itemized deduction for interest payments was the second most important item 40 percent of the time and charitable contributions were the second most important 37 percent of the time. Conversely, on nontaxable returns (with no worldwide tax), the interest-paid deduction was the most important item 62 percent of the time. And where interest paid was the primary item, there was no secondary item 51 percent of the time, charitable contributions were the second item 24 percent of the time, and the deduction for taxes paid was second most important 18 percent of the time.

Tables 9 and 10 represent another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables show data only for nontaxable returns. For returns without any income tax, these tables show the number of times that various items reduced income by different fractions of income. The items shown are the various categories of itemized deductions, total tax preferences excluded from income, and the deduction equivalents of four different types of tax credits. For example, for high expanded income returns with no worldwide tax, the itemized deduction for casualty losses exceeded 100 percent of expanded income on 10 of 437 returns, and the deduction equivalent of the investment credit was between 50 percent and 100 percent of expanded income on three returns.

INCREASES IN HIGH-INCOME, NONTAXABLE RETURNS, 1983

The tabulations of data for 1983 that show large increases in both the absolute numbers of nontaxable, high-income returns and the frequencies with which they occurred provoked skepticism by this author about the data's accuracy, followed by attempts to determine and explain the possible reasons for the increases.

Data Accuracy

The existence of such a large number of nontaxable, high-income returns has been verified by the manual review of each of the 447 nontaxable, high-AGI tax returns. Manual review confirmed that all 447 returns do exist and that all of them were nontaxable, as nontaxability has been defined for these purposes since the 1970's.

The review did disclose, however, that 67, or 15 percent, of the returns actually did have some income tax liability attributable to recapture of investment credits allowed in prior years. Although this finding does not alter the fact that significantly more returns were nontaxable for 1983 than for the immediately preceding years, it does raise questions about the proper definition of nontaxability.

Analyses of nontaxable, high-income returns have focused on finding taxpayers with large amounts of income who pay little or no income tax, as well as the features of the tax system which allow them to escape taxation. Such information provides a basis for discussing whether such features are appropriate in a broadly based income tax system and whether they should be changed. In this regard, interest originally focused on current-year tax on current-year income. Thus, any taxes that may have depended on prior-year income were not considered, including any current-year tax resulting from early disposition of assets and the recapture of investment credits allowed when those assets were acquired. Furthermore, manual examination of tax returns for 1975 and 1976 did not indicate that the taxability or nontaxability of any high-income return depended on investment credit recapture. Thus, as a practical matter, the proper treatment of investment credit recapture was not deemed important.

Even though single-year tabulations of data from tax returns generally show tax attributable to a single year, there are multiyear effects from several income tax features that render income tax returns "impure" as a measure of one year's tax on one year's income. Most relevantly, the investment credit itself is taken for the year equipment is acquired even though the equipment is expected to be used for several years. Similarly, depreciation deductions may be accelerated, resulting in a mismatching of the income from, and the expenses attributable to, an asset. In this regard, a return could become nontaxable in one year primarily because of an investment credit. Current methodology could classify that taxpayer as nontaxable in later years even if the person paid tax from the recapture of some of the investment credit previously allowed. These considerations would argue for symmetrical treatment. Since deductions and credits have been considered even if they are for income extending more than one year, taxes ought to be treated in the same way.

Symmetrical treatment would suggest that any taxpayer who pays tax from the recapture of a prior-year investment credit ought not be considered nontaxable. Because changing the classification of such returns for 1983 would not result in major changes, no attempts will be made to retabulate the data because of this definitional change. It is, however, anticipated that the definitions of nontaxability will be altered for 1984 and subsequent years.

The previously mentioned manual review of nontaxable, high-AGI returns did show that if any return with investment credit recapture were treated as taxable, there would have been only 380 nontaxable, high-AGI returns for 1983. The 380 nontaxable returns would have been 0.19 percent of all high-AGI returns. Since corrected data for 1982 are not available, the percentage change for 1982 cannot be known with precision, but at minimum the increase was 45 percent. For high-AGI returns with tax redefined to include foreign tax payments, a redefinition of nontaxability to exclude returns wit tax only from investment credit recapture reduces the number of nontaxables by 59 returns, or 18 percent, from 321 to 262.

Similar adjusted data using the expande income concept are not available.

Reasons for 1983 Changes

The significant increases in the numbers o nontaxable, high-income returns for 1983 see to be attributable to the elimination of th minimum tax and the taxation of all preferenc items under the expanded alternative minimu tax. These changes were enacted as part of th Tax Equity and Fiscal Responsibility Act o 1982 (commonly called TEFRA) and became effective for 1983. The increase in nontaxable high-income returns seems to stem from change in the list of itemized deductions that ma give rise to tax preferences under the alternative minimum tax.

In 1982, the Congress eliminated the minimu tax and transferred the taxation of all ta preferences to a more comprehensive alternativ minimum tax. In part, these changes wer intended to reduce taxes for some taxpayers wh had modest amounts of tax preferences but wh paid substantial amounts of ordinary income tax The primary goal, however, was to concentrat the burden of (alternative) minimum taxation o those who would otherwise not pay a fair shar of the total tax burden relative to thei incomes. This objective was clearly stated:

> "Congress amended the present minimum ta provisions applying to individuals with on overriding objective: no taxpayer with substantial economic income should be able t avoid all tax liability by using exclusions deductions and credits. Although thes provisions provide incentives for worth goals, they become counter-productive whe individuals are allowed to use them to avoi virtually all tax liability. The ability o high-income individuals to pay little or n tax undermines respect for the entire ta system and, thus, for the incentive provisions themselves. Therefore, Congress provided an alternative minimum tax which wa intended to insure that, when an individual' ability to pay taxes is measured by a broad based concept of income, a measure which ca be reduced by only a few of the incentiv provisions, tax liability is at least minimum percentage of that broad measure [16].

The major change made by TEFRA to minimu taxation of individuals was the concentratio of the taxation of all preference items unde the alternative minimum tax rather than havi the capital gains exclusion and preferences for itemized deductions taxed under the alternative minimum tax and all other preferences taxed under the minimum tax. Other changes were also made. The alternative minimum tax exclusion was raised to $30,000 (to $40,000 for joint returns) from its previous level of $20,000. Some new preferences items were added for exclusions and deferrals of income. Finally, the list of itemized deductions that may give rise to an alternative minimum tax preference was altered, and the way in which the itemized deduction preference is calculated was changed [17].

Calculation of tax preferences from itemized deductions was changed so that an eligible itemized deduction became more likely to generate a tax preference for 1983 than it was for 1982. Hence, it was believed that the TEFRA changes would make it more likely for itemized deductions to give rise to the alternative minimum tax. For 1982, the preference from itemized deductions was the amount by which a taxpayer's total itemized deductions (other than the itemized deductions for medical expenses, casualty losses, and state and local taxes) exceeded 60 percent of AGI as reduced by the just mentioned itemized deductions. Thus, itemized deductions could be a tax preference only if their total represented a large share of AGI. Beginning with 1983, every dollar of certain categories of itemized deductions could generate a tax preference, even if the particular itemized deduction or the total of all itemized deductions represented only a modest share of AGI.

In addition to changing the structure of the itemized deduction tax preference under the alternative minimum tax, TEFRA changed the list of itemized deductions that could result in preferences. Before TEFRA, preferences generally could come from any itemized deduction other than those for medical expenses, casualty losses, and deductible state and local taxes. After TEFRA, tax preferences could come from any itemized deduction other than charitable contributions, casualty losses, mortgage interest expense, investment interest to the extent of investment income, gambling losses, and the medical expense deduction to the extent that the allowable portion exceeded 5 percent of AGI. These were quite dramatic changes. The only items left unchanged were casualty losses and the medical expense deduction to the extent that the allowable deduction exceeded 5 percent of AGI. Most importantly, under the new law, a preference could be generated by any amount of state and local tax expenses. Preferences, however, could no longer be generated by charitable contributions, mortgage interest, gambling losses, or most deductible investment interest [18].

These changes were believed to represent a significant tightening of the alternative minimum tax. In fact, the changes seem to have provided the means for a major increase in the number of nontaxable, high-income returns.

The impact of these minimum tax changes has been approximated for nontaxable, high-AGI returns for 1983 that had no U.S. tax liability and did not have any tax from recapture of prior-year investment credits. To the extent possible based on data shown on 1983 tax returns, the impacts of the 1982 minimum tax and the 1982 alternative minimum tax have been simulated for these returns. The simulation indicates that if the 1982 provisions had been in effect for 1983, 362 of the 380 returns would have been taxable. That is, only 18 of the 380 returns that were actually nontaxable for 1983 would have remained nontaxable. In addition, 15 returns that were taxable for 1983 would have been nontaxable if the 1982 provisions had remained in effect. Thus, this simulation indicates that there would have been a total of only 33 nontaxable, high-AGI returns for 1983 if the 1982 minimum and alternative minimum tax provisions had not been altered. Most of these changes appear to stem from changes in the preference for itemized deductions.

A similar simulation for the high-AGI returns where the foreign tax credit has been redefined to represent a legitimate tax indicates that of the 262 returns that actually were nontaxable for 1983 (including no tax from investment credit recapture), 245 would have been taxable if the minimum and alternative minimum tax provisions had remained as in 1982. Leaving those provisions unchanged would also have resulted in an additional 13 returns being made nontaxable, for a nontaxable total of 30 returns.

Since the numbers of nontaxable returns estimated by these simulations is far below the numbers of returns actually found by tabulating 1982 data, the simulation results must be treated with caution, and the precise effects of the minimum and alternative minimum tax changes made by TEFRA remain unknown. Nevertheless, together with an analysis of what could have happened for 1983 compared with 1982 for returns with hypothetical combinations of itemized deductions, these simulations indicate that the changes attributed to TEFRA's alternative minimum tax are both possible and probable.

In TEFRA in 1982, the Congress enacted changes to increase the overall level of minimum taxation, to concentrate such taxes on individuals whose tax preferences represented a large share of their income, and to reduce the number of nontaxable, high-income returns. The changes apparently have accomplished the first two goals. They do not, however, appear to have been successful in achieving the third goal. In fact, the alternative minimum tax changes in

TEFRA--particularly the changes in the types of itemized deductions that may give rise to tax preferences--have actually opened the way for a significantly larger number of nontaxable, high-income tax returns.

NOTES AND REFERENCES

[1] See section in this article titled "High-income Tax Returns for 1983" for a more detailed analysis of the numbers of nontaxable, high-income returns.

[2] Section 2123, 90 Stat. at 1915.

[3] Lerman, Allen H., High Income Tax Returns: 1974 and 1975, A Report on High Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability. Washington, D.C.: U.S. Department of the Treasury, Office of Tax Analysis, March 1977.

Lerman, Allen H., High Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns. Washington, DC: U.S. Department of the Treasury, Office of Tax Analysis, August 1978.

[4 U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--Individual Income Tax Returns, Reports for 1979, 1980, 1981, and 1982.

High-income taxpayer data for 1977 and 1978 have been tabulated but not published, except for the actual number of high adjusted gross income nontaxable returns. Data for 1977 and 1978 and a brief explanation of the tables may be published in a future issue of the Statistics of Income Bulletin.

[5] This is the Haig-Simons definition of income.

[6] The Internal Revenue Code defines adjusted gross income as all gross income that is not specifically excluded or reduced by statutory adjustments. Among the exclusions are trade or business deductions (including some deductions by employees) and depreciation deductions allowable for tax purposes, the deduction for 60 percent of net long-term capital gains, limited deductions for losses from the sale or exchange of property, deductions attributable to rents and royalty income, the moving expenses adjustment, and deductions for contributions to individual retirement arrangements (IRA's) and self-employed (Keogh) retirement plans.

[7] Gross income includes only income that ha been "realized." Thus, for tax purposes accrued increases or decreases in the valu of assets are generally not included i income until any gain or loss is realize by a sale or exchange. In addition, gros income does not include the value of th services received from the use of durabl goods, such as imputed net rent from owner occupied homes or from consumer durables Finally, gross income and, hence, adjuste gross income, do not include interest o most types of state and local governmen debt, social security benefits, workers compensation benefits, and most types o welfare benefits.

[8] There have been attempts to create micro data files that include approximations o economic income. Tax return data file have been "statistically merged" wit other files such as the Current Populatio Survey (CPS) of the Bureau of the Census After the merge, certain additional dat items that were not on either file hav been "imputed" to each record of the merge file. Although such statistically merge files have proven useful for many purposes they have only limited use--and must b used with great caution--for high-incom individuals and families, each of which i likely to have more unique financial an income characteristics that are not likel to be duplicated accurately through imputations and statistical merges.

[9] If the sum of tax preferences that wer subject to the alternative minimum ta (including both preferences representin income excluded from adjusted gross incom and certain itemized deductions that ma be considered preferences) together wit the taxpayer's AGI and ordinary income ta were sufficient to result in the impositio of any alternative minimum tax, the taxpayer was required to complete Form 6251 Alternative Minimum Tax Computation. Fo such taxpayers, the tax preferences excluded from adjusted gross income, a tabulated in Tables 5 and 6, include th following items: the dividend exclusion the "all-savers" interest exclusion; th excluded portion of long-term capita gains; the excess of accelerated depreciation over straight-line depreciation o certain real property and property subjec to a lease; the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the excess of percentage depletio over the "adjusted basis" of the property unrealized gain on the exercise of stoc options; and certain intangible drillin

costs to the extent that they exceeded the otherwise-allowable amortization deduction.

Any preferences from itemized deductions do not represent omitted income; hence, they have not been counted as preference items in calculating a broader measure of income.

Before 1983, preferences had to be listed on income tax returns if total preferences other than the capital gains exclusion and any preferences from itemized deductions were at least $10,000 ($5,000 for married taxpayers filing separately). Preferences had to be listed and included with the income tax return even if they did not give rise to any minimum tax liability.

[10] Omission of social security benefits and certain other items is relatively unimportant for high-income taxpayers.

[11] In addition, income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from certain small business corporations, only the net amounts of which are included in adjusted gross income.

[12] For the sake of brevity, "investment interest to the extent that it does not exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

[13] See footnote [9].

[14] The borderline between excess and non-excess investment interest depends on the income items actually included under each income concept. Hence, the investment interest adjustment differs depending on which income definition is used.

[15] Certain amounts of income earned abroad are excluded from adjusted gross income by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this section do not reflect either the amounts of income excluded or the tax payments on them.

[16] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Revenue Provisions of the Tax Equity and Fiscal Responsibility Act of 1982*, December 31, 1982, p. 17.

[17] See pp. 16-23, Joint Committee on Taxation, *op. cit*, for a complete explanation of the minimum and alternative minimum taxes before and after TEFRA. Readers may also see the changes by comparing the appropriate income tax forms for 1982 and 1983: Form 4265 for 1982 and Form 6251 for both 1982 and 1983.

[18] The itemized deductions that could *not* give rise to tax preferences and the changes between 1982 and 1983 are summarized in the following *chart*. Under proper conditions, all other itemized deductions might produce tax preferences and some amount of alternative minimum tax.

Itemized Deductions That Cannot Generate Tax Preferences

1982	1983
Medical expense deduction 1/	Medical expense deduction 1/ over 5 percent of adjusted gross income
State and local taxes	
Casualty losses	Casualty losses
	Charitable contributions
	Mortgage interest expense
	Investment and interest expense to the extent of investment income
	Gambling losses

1/ The itemized deduction for medical expenses consisted of the portion of medical expenses in excess of a floor of 3 percent of AGI (5 percent in 1983) for all medical costs, including the expenses for medicines and drugs in excess of a separate floor of 1 percent of AGI.

Table 1 —Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income: Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	96,321,310	91,086,723	4,414,028	621,951	198,608
Size of expanded income					
Under $50,000	90,906,700	90,797,277	108,564	761	98
$50,000 under $100,000	4,477,515	281,347	4,175,842	20,077	249
$100,000 under $200,000	687,776	6,412	125,195	551,425	4,744
$200,000 or more	249,319	1,687	4,427	49,688	193,517
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	90,744,765	90,744,765	—	—	—
$50,000 under $100,000	4,593,684	332,663	4,261,021	—	—
$100,000 under $200,000	720,408	7,416	147,782	565,210	—
$200,000 or more	262,453	1,879	5,225	56,741	198,608
Size of adjusted gross income less investment interest					
Under $50,000	91,243,984	91,086,723	155,209	1,758	294
$50,000 under $100,000	4,294,656	—	4,258,819	35,330	507
$100,000 under $200,000	595,349	—	—	584,863	10,486
$200,000 or more	187,321	—	—	—	187,321
Returns With Total Income Tax					
Total	79,421,285	74,207,121	4,396,236	619,767	198,161
Size of expanded income					
Under $50,000	74,028,553	73,923,488	104,555	*508	2
$50,000 under $100,000	4,458,872	276,608	4,162,744	19,313	207
$100,000 under $200,000	685,120	5,536	124,547	550,359	4,678
$200,000 or more	248,740	1,489	4,390	49,587	193,274
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	73,874,894	73,874,894	—	—	—
$50,000 under $100,000	4,568,322	324,227	4,244,095	—	—
$100,000 under $200,000	716,426	6,322	146,956	563,148	—
$200,000 or more	261,643	1,678	5,185	56,619	198,161
Size of adjusted gross income less investment interest					
Under $50,000	74,359,079	74,207,121	150,323	1,458	177
$50,000 under $100,000	4,280,984	—	4,245,913	34,603	468
$100,000 under $200,000	594,130	—	—	583,706	10,424
$200,000 or more	187,092	—	—	—	187,092
Returns Without Total Income Tax					
Total	16,900,025	16,879,602	17,792	2,184	447
Size of expanded income					
Under $50,000	16,878,147	16,873,789	4,009	253	96
$50,000 under $100,000	18,643	4,739	13,098	764	42
$100,000 under $200,000	2,656	876	*648	1,066	66
$200,000 or more	579	198	*37	*101	243
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	16,869,871	16,869,871	—	—	—
$50,000 under $100,000	25,362	8,436	16,926	—	—
$100,000 under $200,000	3,982	1,094	826	2,062	—
$200,000 or more	810	201	*40	122	447
Size of adjusted gross income less investment interest					
Under $50,000	16,884,905	16,879,602	4,886	300	117
$50,000 under $100,000	13,672	—	12,906	727	39
$100,000 under $200,000	1,219	—	—	1,157	62
$200,000 or more	229	—	—	—	229

*Estimate should be used with caution because of the small number of sample returns on which it is based.

Table 2 — Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	96,301,310	91,066,723	4,414,028	621,951	198,608
Size of expanded income					
Under $50,000	90,906,700	90,797,277	108,564	761	98
$50,000 under $100,000	4,457,515	261,347	4,175,842	20,077	249
$100,000 under $200,000	687,776	6,412	125,195	551,425	4,744
$200,000 or more	249,319	1,687	4,427	49,688	193,517
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	90,734,765	90,734,765	—	—	—
$50,000 under $100,000	4,583,684	322,663	4,261,021	—	—
$100,000 under $200,000	720,408	7,416	147,782	565,210	—
$200,000 or more	262,453	1,879	5,225	56,741	198,608
Size of adjusted gross income less investment interest					
Under $50,000	91,223,984	91,066,723	155,209	1,758	294
$50,000 under $100,000	4,294,656	—	4,258,819	35,330	507
$100,000 under $200,000	595,349	—	—	584,863	10,486
$200,000 or more	187,321	—	—	—	187,321
Returns With Modified Total Income Tax					
Total	79,450,915	74,233,981	4,398,302	620,345	198,287
Size of expanded income					
Under $50,000	74,055,433	73,950,326	104,597	*508	2
$50,000 under $100,000	4,460,917	276,629	4,164,631	19,450	207
$100,000 under $200,000	685,683	5,537	124,684	550,779	4,683
$200,000 or more	248,882	1,489	4,390	49,608	193,395
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	73,901,732	73,901,732	—	—	—
$50,000 under $100,000	4,570,272	324,248	4,246,024	—	—
$100,000 under $200,000	717,121	6,323	147,093	563,705	—
$200,000 or more	261,790	1,678	5,185	56,640	198,287
Size of adjusted gross income less investment interest					
Under $50,000	74,385,981	74,233,981	150,365	1,458	177
$50,000 under $100,000	4,283,145	—	4,247,937	34,740	468
$100,000 under $200,000	594,576	—	—	584,147	10,429
$200,000 or more	187,213	—	—	—	187,213
Returns Without Modified Total Income Tax					
Total	16,870,395	16,852,742	15,726	1,606	321
Size of expanded income					
Under $50,000	16,851,267	16,846,951	3,967	253	96
$50,000 under $100,000	16,598	4,718	11,211	627	42
$100,000 under $200,000	2,093	875	*511	646	61
$200,000 or more	437	198	*37	*80	122
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	16,843,033	16,843,033	—	—	—
$50,000 under $100,000	23,412	8,415	14,997	—	—
$100,000 under $200,000	3,287	1,093	689	1,505	—
$200,000 or more	663	201	*40	101	321
Size of adjusted gross income less investment interest					
Under $50,000	16,858,003	16,852,742	4,844	300	117
$50,000 under $100,000	11,511	—	10,882	590	39
$100,000 under $200,000	773	—	—	716	57
$200,000 or more	108	—	—	—	108

*Estimate should be used with caution because of the small number of sample returns on which it is based.

Table 3 — Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified items	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	**198,608**	**100.0**	—	**249,319**	**100.0**	—	**262,453**	**100.0**	—	**187,321**	**100.0**	—
Returns without total income tax	447	0.2	—	579	0.2	—	810	0.3	—	229	0.1	—
Returns with total income tax:												
Total	198,161	99.8	100.0	248,740	99.8	100.0	261,643	99.7	100.0	187,092	99.9	100.0
Ratio of taxable income to alternative income:												
Under 5 percent	152	0.1	0.1	190	0.1	0.1	239	0.1	0.1	107	0.1	0.1
5 under 10 percent	335	0.2	0.2	231	0.1	0.2	489	0.2	0.3	212	0.1	0.2
10 under 15 percent	798	0.4	0.6	588	0.2	0.4	1,146	0.4	0.7	264	0.1	0.3
15 under 20 percent	451	0.2	0.9	582	0.2	0.6	1,125	0.4	1.1	349	0.2	0.5
20 under 25 percent	814	0.4	1.3	930	0.4	1.0	2,384	0.9	2.1	392	0.2	0.7
25 under 30 percent	998	0.5	1.8	2,941	1.2	2.2	4,917	1.9	3.9	598	0.3	1.0
30 under 35 percent	1,631	0.8	2.6	3,946	1.6	3.8	7,455	2.8	6.8	849	0.5	1.5
35 under 40 percent	2,503	1.3	3.9	12,991	5.2	9.0	19,896	7.6	14.4	1,449	0.8	2.3
40 under 45 percent	3,452	1.7	5.6	44,732	18.0	27.0	41,787	16.0	30.4	2,528	1.4	3.6
45 under 50 percent	4,124	2.1	7.7	17,060	6.9	33.8	16,855	6.4	36.8	2,862	1.5	5.1
50 under 60 percent	12,065	6.1	13.8	25,846	10.4	44.2	27,313	10.4	47.2	8,805	4.7	9.8
60 under 70 percent	21,027	10.6	24.4	27,562	11.1	55.3	30,195	11.5	58.8	16,048	8.6	18.4
70 under 80 percent	41,844	21.1	45.5	38,486	15.5	70.8	40,542	15.5	74.3	36,491	19.5	37.9
80 percent or more	107,967	54.5	100.0	72,655	29.2	100.0	67,300	25.7	100.0	116,138	62.1	100.0

NOTE: Detail may not add to total because of rounding.

Table 4 —Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified items	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	198,608	100.0	—	249,319	100.0	—	262,453	100.0	—	187,321	100.0	—
Returns without modified total income tax	321	0.2	—	437	0.2	—	663	0.3	—	108	0.1	—
Returns with modified total income tax:												
Total	198,287	99.8	100.0	248,882	99.8	100.0	261,790	99.7	100.0	187,213	99.9	100.0
Ratio of taxable income to alternative income:												
Under 5 percent	144	0.1	0.1	168	0.1	0.1	226	0.1	0.1	99	0.1	0.1
5 under 10 percent	187	0.1	0.2	84	( )	0.1	344	0.1	0.2	63	( )	0.1
10 under 15 percent	592	0.3	0.5	355	0.1	0.2	912	0.3	0.6	56	( )	0.1
15 under 20 percent	401	0.2	0.7	536	0.2	0.5	1,048	0.4	1.0	299	0.2	0.3
20 under 25 percent	622	0.3	1.0	786	0.3	0.8	2,200	0.8	1.8	221	0.1	0.4
25 under 30 percent	988	0.5	1.5	2,742	1.1	1.9	4,734	1.8	3.6	551	0.3	0.7
30 under 35 percent	1,601	0.8	2.3	3,924	1.6	3.4	7,278	2.8	6.4	836	0.4	1.1
35 under 40 percent	1,899	1.0	3.2	12,204	4.9	8.4	19,698	7.5	13.9	1,124	0.6	1.7
40 under 45 percent	3,828	1.9	5.2	45,436	18.3	26.6	42,056	16.1	30.0	2,633	1.4	3.1
45 under 50 percent	4,063	2.1	7.2	17,043	6.8	33.5	16,835	6.4	36.4	2,830	1.5	4.7
50 under 60 percent	11,035	5.6	12.8	25,096	10.1	43.5	26,706	10.2	46.6	8,035	4.3	8.9
60 under 70 percent	21,218	10.7	23.5	27,681	11.1	54.7	30,001	11.5	58.1	16,536	8.8	17.8
70 under 80 percent	42,264	21.3	44.8	39,096	15.7	70.4	41,208	15.7	73.8	36,328	19.4	37.2
80 percent or more	109,445	55.2	100.0	73,742	29.6	100.0	68,543	26.2	100.0	117,586	62.8	100.0

( ) Less than 0.05 percent.
NOTE: Detail may not add to total because of rounding.

Table 5.—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	160,863	36,614,261	160,559	36,544,453	324	69,807	191,714	38,673,285	191,301	38,617,818	413	55,467
Business or profession:												
Net income	33,747	4,457,696	33,658	4,444,396	89	13,301	42,736	4,858,582	42,636	4,840,815	100	17,767
Net loss	21,978	1,008,550	21,896	989,098	82	19,452	29,545	1,347,048	29,380	1,312,903	165	34,145
Farm:												
Net income	4,371	282,180	4,361	280,986	10	1,194	4,736	294,633	4,734	294,206	2	427
Net loss	14,276	930,767	14,222	919,482	54	11,285	18,865	1,264,688	18,826	1,253,845	39	10,843
Partnership:												
Net income	58,753	6,950,196	58,649	6,929,714	104	20,483	71,185	7,336,437	71,121	7,312,299	64	24,138
Net loss	81,701	5,733,846	81,499	5,683,564	202	50,282	100,865	7,306,819	100,639	7,259,077	226	47,742
Small Business Corporation:												
Net income	24,217	4,468,187	24,185	4,464,339	32	3,848	27,477	4,559,992	27,453	4,557,432	24	2,560
Net loss	19,450	1,005,138	19,360	990,766	90	14,372	24,436	1,346,617	24,334	1,316,588	102	30,030
Sales of capital assets:												
Net gain	137,190	20,407,204	136,958	20,371,576	232	35,627	188,662	25,061,973	188,223	24,960,043	439	101,930
Net loss	29,535	69,461	29,487	69,343	48	118	28,825	67,757	28,792	67,679	33	77
Sales of property other than capital assets:												
Net gain	16,452	432,317	16,413	430,888	39	1,428	22,651	550,864	22,605	547,781	46	3,082
Net loss	14,229	137,993	14,182	136,184	47	1,809	17,683	185,326	17,621	175,398	62	9,929
Interest received	195,316	8,332,704	194,894	8,257,039	422	75,665	245,027	9,502,334	244,471	9,464,256	556	38,078
Dividends in AGI	165,774	11,028,785	165,458	10,962,796	316	65,988	206,699	11,837,876	206,396	11,804,580	303	33,296
Pensions and annuities in AGI	26,228	537,349	26,195	536,713	33	636	35,561	673,210	35,540	672,727	21	483
Rent:												
Net income	43,882	1,868,568	43,804	1,863,815	78	4,753	53,364	1,989,879	53,228	1,985,900	136	3,978
Net loss	53,518	1,348,968	53,332	1,340,683	186	8,285	67,969	1,787,907	67,742	1,772,481	227	15,426
Royalty:												
Net income	25,515	1,895,571	25,461	1,890,178	54	5,393	30,369	2,057,712	30,329	2,052,495	40	5,217
Net loss	2,660	49,038	2,653	48,975	†	†	3,601	58,691	3,596	58,632	5	59
Estate or trust:												
Net income	26,053	1,277,942	26,000	1,273,364	53	4,578	34,571	1,390,077	34,541	1,386,518	30	3,559
Net loss	2,368	58,049	2,355	56,427	13	1,622	2,887	85,743	2,873	84,454	*14	*1,290
State income tax refunds	70,382	329,777	70,279	328,266	103	1,511	85,371	365,425	85,278	364,491	93	935
Windfall profit tax refunds	9,456	22,036	9,441	22,013	15	22	11,846	27,665	11,834	27,642	12	23
Windfall profit tax withheld	39,723	279,944	39,649	279,155	74	789	47,284	311,682	47,235	310,962	49	719
Alimony received	486	25,583	†	†	†	†	602	29,010	601	28,710	1	300
Unemployment compensation in AGI	569	1,336	†	†	†	†	1,373	3,661	1,372	3,660	1	1
Other income	40,796	1,055,919	40,668	1,045,615	128	10,304	48,847	1,153,140	48,763	1,144,069	84	9,071
Other loss	5,342	466,595	5,287	452,730	55	13,865	8,524	834,610	8,349	790,843	175	43,766
Total statutory adjustments	145,630	1,300,301	145,431	1,297,116	199	3,185	174,055	1,482,873	173,828	1,477,061	227	5,812
Expanded income	198,607	113,325,111	198,161	113,221,229	446	103,882	249,319	127,604,413	248,740	127,388,569	579	215,844
AGI plus excluded tax preferences	198,608	116,980,170	198,161	116,758,299	447	221,870	249,319	131,194,614	248,740	130,950,689	579	243,925
AGI less investment interest	198,606	84,131,884	198,160	84,049,378	446	82,506	249,236	90,862,720	248,658	90,789,540	578	73,180
Investment interest per AGI concept	150,734	3,561,067	150,369	3,444,819	365	116,247	184,993	3,505,360	184,730	3,478,070	263	27,290
Investment interest per alternative income concept	150,734	3,561,067	150,369	3,444,819	365	116,247	185,113	3,590,201	184,850	3,562,119	263	28,081
Tax preferences excluded from adjusted gross income:												
Total	179,910	29,287,219	179,558	29,264,102	352	23,117	231,229	36,826,533	230,726	36,683,078	503	143,455
Excluded long-term capital gains	131,803	27,877,389	131,604	27,854,326	199	23,063	183,770	34,647,718	183,338	34,504,305	432	143,413
Dividend exclusion	162,011	28,437	161,716	28,386	295	51	202,640	35,501	202,378	35,462	262	38
All other	24,758	13,661,535	24,758	13,661,535	—	—	53,831	19,052,356	53,831	19,052,356	—	—
Adjusted gross income	198,606	87,692,950	198,161	87,494,197	447	198,753	249,319	94,368,061	248,740	94,267,610	579	100,470

Footnote(s) at end of table.

Table 5 —Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	198,608	672,952	198,161	671,405	447	1,547	249,319	835,551	248,740	833,672	579	1,879
Itemized deductions:												
Total per AGI concept	196,609	17,753,516	196,207	17,543,257	402	210,259	244,203	18,942,443	243,806	18,836,041	397	106,401
Total per alternative income concept	196,609	17,753,516	196,207	17,543,257	402	210,259	244,203	15,402,242	243,806	15,323,922	397	78,320
Contributions deduction	192,543	4,382,781	192,189	4,368,221	354	14,560	238,630	4,763,754	238,288	4,755,360	342	8,393
Interest paid deduction:												
Total per AGI concept	172,423	5,677,905	172,035	5,521,695	388	156,210	212,155	5,797,125	211,794	5,742,052	361	55,073
Total per alternative income concept	172,423	5,677,905	172,035	5,521,695	388	156,210	164,633	2,206,924	164,341	2,179,933	292	26,991
Total home mortgage interest	118,705	1,410,345	118,427	1,395,690	278	14,654	141,651	1,622,480	141,388	1,610,371	263	12,108
Investment interest exceeding investment income per AGI concept	81,796	706,494	81,559	681,188	237	25,306	97,693	669,284	97,565	653,610	128	15,674
Investment interest exceeding investment income per alternative income concept	81,796	706,494	81,559	681,188	237	25,306	96,451	584,444	96,324	569,561	127	14,883
Medical and dental expense deduction	6,132	135,430	6,111	134,119	21	1,311	11,219	178,459	11,166	177,383	53	1,076
Net casualty or theft loss deduction	538	47,846	511	38,724	27	9,122	837	47,039	813	38,118	24	8,921
Taxes paid deduction	196,502	6,162,792	196,113	6,151,369	389	11,423	244,096	6,704,097	243,710	6,696,695	386	7,402
Miscellaneous deductions	168,529	1,346,761	168,201	1,329,128	328	17,633	208,536	1,501,969	208,172	1,476,433	364	25,537
Excess itemized deductions	196,523	17,115,854	196,121	16,906,881	402	208,973	243,967	18,202,312	243,570	18,097,039	397	105,273
Zero bracket amount	198,608	644,105	198,161	642,672	447	1,433	249,319	806,901	248,740	805,168	579	1,733
Excess of exemptions and deductions over AGI	980	133,925	683	73,781	297	60,144	2,719	386,518	2,334	327,488	385	59,030
Taxable income:												
As computed under current law	197,726	70,035,177	197,560	69,987,727	166	47,450	246,655	75,723,484	246,451	75,671,774	204	51,710
As computed under prior law	197,628	69,394,027	197,478	69,347,083	150	46,944	246,600	74,925,222	246,406	74,874,095	194	51,127
Tax at normal rates	197,628	32,036,490	197,478	32,014,817	150	21,674	246,600	34,171,498	246,406	34,148,103	194	23,395
Tax savings	38,625	261,364	38,609	261,111	16	254	63,156	377,531	63,106	376,737	50	793
Income tax before credits	197,632	31,875,787	197,482	31,854,366	150	21,421	246,615	33,925,977	246,421	33,903,375	194	22,603
Tax credits:												
Total	154,143	1,099,250	153,993	1,077,829	150	21,421	187,523	1,189,358	187,329	1,166,755	194	22,603
Foreign tax credit	24,216	182,736	24,090	161,690	126	21,046	28,195	187,228	28,053	165,296	142	21,932
Investment credit	113,711	870,293	113,682	869,919	29	373	137,680	951,803	137,626	951,132	54	670
Jobs credit	3,345	20,221	3,345	20,221	—	—	3,919	21,687	3,919	21,687	—	—
Minimum tax reported on Form 1040	98	3,810	98	3,810	—	—	436	7,327	436	7,327	—	—
Alternative minimum tax reported on Form 1040	24,965	955,102	24,965	955,102	—	—	53,836	1,566,405	53,836	1,566,405	—	—
Total income tax:												
Taxes paid to the U.S.	198,161	31,735,448	198,161	31,735,448	—	—	248,740	34,310,352	248,740	34,310,352	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—	—
Taxable income which would yield:												
Income tax before credits	197,632	69,117,112	197,482	69,070,510	150	46,603	246,615	74,481,334	246,421	74,431,548	194	49,786
Income tax after credits	196,936	66,880,268	196,936	66,880,268	—	—	244,474	72,018,206	244,474	72,018,206	—	—
Total income tax	198,161	68,857,424	198,161	68,857,424	—	—	248,740	75,367,497	248,740	75,367,497	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.

†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 6.—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	160,883	36,614,261	160,664	36,570,903	219	43,358	191,714	38,673,285	191,425	38,645,067	288	28,218
Business or profession:												
Net income	33,747	4,457,696	33,672	4,451,279	75	6,417	42,736	4,858,582	42,650	4,847,699	86	10,883
Net loss	21,978	1,008,550	21,907	989,953	71	18,597	29,545	1,347,040	29,388	1,313,558	157	33,482
Farm:												
Net income	4,371	282,180	4,361	280,986	10	1,194	4,736	294,633	4,734	294,206	2	427
Net loss	14,276	930,767	14,237	920,025	39	10,741	18,865	1,264,689	18,840	1,254,377	25	10,312
Partnership:												
Net income	58,753	6,959,198	58,672	6,943,564	81	15,633	71,185	7,336,437	71,140	7,325,597	45	10,839
Net loss	81,701	5,733,846	81,532	5,685,086	169	48,760	100,865	7,306,819	100,671	7,260,587	194	46,232
Small Business Corporation:												
Net income	24,217	4,468,187	24,186	4,464,348	31	3,838	27,477	4,559,992	27,454	4,557,441	23	2,551
Net loss	19,450	1,005,139	19,370	991,859	80	13,280	24,436	1,346,617	24,342	1,317,335	94	29,282
Sales of capital assets:												
Net gain	137,190	20,407,204	137,001	20,374,047	189	33,157	188,662	25,061,973	188,286	24,964,135	376	97,838
Net loss	29,535	69,461	29,513	69,406	22	55	28,825	67,757	28,815	67,733	10	23
Sales of property other than capital assets:												
Net gain	16,452	432,317	16,417	430,923	35	1,394	22,651	550,864	22,608	547,809	43	3,054
Net loss	14,229	137,993	14,186	136,197	43	1,796	17,683	185,328	17,625	175,413	58	9,916
Interest received	195,316	8,332,704	195,014	8,259,997	302	72,707	245,027	9,502,334	244,607	9,467,213	420	35,121
Dividends in AGI	165,774	11,028,785	165,544	10,965,928	230	62,857	206,699	11,837,876	206,498	11,808,699	201	29,177
Pensions and annuities in AGI	26,228	537,349	26,201	536,767	27	583	35,561	673,210	35,546	672,781	15	429
Rent:												
Net income	43,882	1,868,568	43,819	1,864,716	63	3,852	53,364	1,989,878	53,242	1,986,784	122	3,094
Net loss	53,518	1,348,968	53,397	1,341,613	121	7,355	67,969	1,787,907	67,828	1,773,651	141	14,256
Royalty:												
Net income	25,515	1,895,571	25,467	1,890,803	48	4,768	30,365	2,057,712	30,331	2,053,120	34	4,592
Net loss	2,660	49,036	†	†	†	†	3,601	58,691	3,598	58,644	3	47
Estate or trust:												
Net income	26,053	1,277,942	26,008	1,273,705	45	4,237	34,571	1,390,077	34,549	1,386,858	22	3,219
Net loss	2,368	58,048	2,356	57,333	12	715	2,887	85,743	2,874	85,360	*13	*383
State income tax refunds	70,382	329,777	70,288	328,320	94	1,457	85,371	365,425	85,286	364,541	85	884
Windfall profit tax refunds	9,456	22,036	9,445	22,017	11	19	11,846	27,665	11,837	27,645	*9	*20
Windfall profit tax withheld	39,723	279,944	39,662	279,190	61	755	47,284	311,692	47,246	310,996	38	696
Alimony received	486	25,583	†	†	†	†	602	29,010	601	28,710	1	300
Unemployment compensation in AGI	589	1,336	†	†	†	†	1,373	3,661	1,372	3,660	1	1
Other income	40,796	1,055,919	40,694	1,047,424	102	8,495	48,847	1,153,140	48,787	1,145,785	60	7,355
Other loss	5,342	466,595	5,311	454,679	31	11,916	8,524	834,610	8,394	794,276	130	40,334
Total statutory adjustments	145,630	1,300,301	145,501	1,297,702	129	2,599	174,055	1,482,873	173,896	1,477,630	159	5,243
Expanded income	198,607	113,325,111	198,287	113,274,163	320	50,948	249,319	127,604,413	248,882	127,446,099	437	158,314
AGI plus excluded tax preferences	198,608	116,980,170	198,287	116,812,858	321	167,312	249,319	131,194,614	248,882	131,009,330	437	185,284
AGI less investment interest	198,606	84,131,884	198,286	84,098,834	320	33,050	249,236	90,862,720	248,800	90,841,079	436	21,642
Investment interest per AGI concept	150,734	3,561,067	150,437	3,446,426	297	114,641	184,993	3,505,360	184,793	3,479,164	200	26,196
Investment interest per alternative income concept	150,734	3,561,067	150,437	3,446,426	297	114,641	185,113	3,590,201	184,913	3,563,232	200	26,969
Tax preferences excluded from adjusted gross income:												
Total	179,910	29,287,219	179,640	29,267,599	270	19,621	231,229	36,826,533	230,827	36,689,087	402	137,446
Excluded long-term capital gains	131,893	27,877,389	131,731	27,857,810	162	19,579	183,770	34,647,718	183,396	34,510,302	374	137,417
Dividend exclusion	162,011	28,437	161,783	28,398	228	40	202,640	35,501	202,443	35,473	197	27
All other	24,758	13,661,535	24,758	13,661,535	—	—	53,831	19,052,356	53,831	19,052,356	—	—
Adjusted gross income	198,606	87,692,950	198,287	87,545,259	321	147,691	249,319	94,368,061	248,882	94,320,243	437	47,838

Footnote(s) at end of table.

Table 6 — Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	198,608	672,952	198,287	671,849	321	1,103	249,319	835,551	248,882	834,222	437	1,329
Itemized deductions:												
Total per AGI concept	196,609	17,753,516	196,289	17,548,022	320	205,493	244,203	18,992,443	243,904	18,890,152	299	102,291
Total per alternative income concept	196,609	17,753,516	196,289	17,548,022	320	205,493	244,203	15,402,242	243,904	15,326,920	299	75,322
Contributions deduction	192,543	4,382,781	192,253	4,368,658	290	14,123	238,630	4,763,754	238,348	4,755,771	282	7,983
Interest paid deduction:												
Total per AGI concept	172,423	5,677,905	172,112	5,524,252	311	153,653	212,155	5,797,125	211,868	5,743,944	289	53,180
Total per alternative income concept	172,423	5,677,905	172,112	5,524 252	311	153,653	164,633	2,206,924	164,396	2,180,713	237	26,211
Total home mortgage interest	118,705	1,410,345	118,473	1,396,325	232	14,019	144,651	1,622,480	144,429	1,610,930	222	11,550
Investment interest exceeding investment income per AGI concept	81,796	706,494	81,595	681,501	201	24,993	97,693	669,284	97,596	653,851	97	15,434
Investment interest exceeding investment income per alternative income concept	81,796	706,494	81,595	681,501	201	24,993	96,451	584,444	96,355	569,783	96	14,661
Medical and dental expense deduction	6,132	135,430	6,117	134,149	15	1,281	11,219	178,459	11,172	177,413	47	1,046
Net casualty or theft loss deduction	538	47,846	511	38,724	27	9,122	837	47,039	813	38,118	24	8,921
Taxes paid deduction	196,502	6,162,792	196,189	6,152,696	313	10,095	244,096	6,704,097	243,802	6,698,091	294	6,006
Miscellaneous deductions	168,529	1,346,761	168,270	1,329,543	259	17,219	208,538	1,501,969	208,257	1,476,815	281	25,156
Excess itemized deductions	196,523	17,115,854	196,203	16,911,384	320	204,470	243,967	18,202,312	243,668	18,100,833	299	101,479
Zero bracket amount	198,608	644,105	198,287	643,079	321	1,027	249,319	806,901	248,882	805,630	437	1,272
Excess of exemptions and deductions over AGI	980	133,925	683	73,781	297	60,144	2,719	386,518	2,334	327,488	385	59,030
Taxable income:												
As computed under current law	197,726	70,035,177	197,686	70,033,842	40	1,335	246,655	75,723,484	246,593	75,720,063	62	3,421
As computed under prior law	197,628	69,394,027	197,604	69,392,792	24	1,236	246,600	74,925,222	246,548	74,921,923	52	3,299
Tax at normal rates	197,628	32,036,490	197,604	32,036,048	24	442	246,600	34,171,498	246,548	34,170,160	52	1,338
Tax savings	38,625	261,364	38,619	261,237	6	127	63,156	377,531	63,115	376,862	*41	*669
Income tax before credits	197,632	31,875,787	197,608	31,875,472	24	315	246,615	33,925,977	246,563	33,925,308	52	670
Tax credits:												
Total	147,514	916,513	147,490	916,198	24	315	179,871	1,002,129	179,819	1,001,460	52	670
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Investment credit	113,711	870,293	113,687	869,977	24	315	137,680	951,803	137,628	951,133	52	670
Jobs credit	3,345	20,221	3,345	20,221	—	—	3,919	21,687	3,919	21,687	—	—
Minimum tax reported on Form 1040	98	3,810	98	3,810	—	—	436	7,327	436	7,327	—	—
Alternative minimum tax reported on Form 1040	24,965	955,102	24,965	955,102	—	—	53,838	1,566,405	53,838	1,566,405	—	—
Total income tax:												
Taxes paid to the U.S.	198,287	31,918,185	198,287	31,918,185	—	—	248,882	34,497,580	248,882	34,497,580	—	—
Foreign taxes paid	24,216	182,736	24,216	182,736	—	—	28,195	187,228	28,195	187,228	—	—
Taxable income which would yield:												
Income tax before credits	197,632	69,117,112	197,608	69,116,127	24	986	246,615	74,481,334	246,563	74,479,283	52	2,051
Income tax after credits	197,089	67,253,968	197,089	67,253,968	—	—	244,925	72,404,422	244,925	72,404,422	—	—
Total income tax	198,287	69,230,050	198,287	69,230,050	—	—	248,882	75,749,857	248,882	75,749,857	—	—

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 7 —Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect									
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Returns With Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**198,161**	**100.0**	**56,190**	**28.4**	**91,173**	**46.0**	**28,371**	**14.3**	**1,763**	**0.9**
Interest paid deduction	51,267	25.9	—	—	38,597	42.3	6,248	22.0	136	7.7
Taxes paid deduction	63,559	32.1	36,801	65.5	—	—	16,731	59.0	1,094	62.1
Contributions deduction	45,360	22.9	9,054	16.1	33,086	36.3	—	—	246	14.0
Medical and dental expense deduction	1,282	0.6	106	0.2	475	0.5	302	1.1	—	—
Net casualty or theft loss deduction	75	( )	31	0.1	38	( )	5	( )	—	—
Miscellaneous deductions	18,737	9.5	4,160	7.4	11,475	12.6	2,394	8.4	260	14.7
Foreign tax credit	1,111	0.6	300	0.5	486	0.5	300	1.1	†	†
Investment credit	13,916	7.0	4,686	8.3	6,710	7.4	2,301	8.1	†	†
Jobs credit	210	0.1	37	0.1	29	( )	50	0.2	—	—
No second largest item	2,644	1.3	1,015	1.8	275	0.3	40	0.1	—	—
Returns with expanded income $200,000 or more										
Total	**248,740**	**100.0**	**68,401**	**27.5**	**112,375**	**45.2**	**36,018**	**14.5**	**2,541**	**1.0**
Interest paid deduction	63,136	25.4	—	—	44,947	40.0	7,936	22.0	306	12.0
Taxes paid deduction	78,294	31.5	44,863	65.6	—	—	20,830	57.8	1,322	52.0
Contributions deduction	56,105	22.6	10,196	14.9	42,073	37.4	—	—	343	13.5
Medical and dental expense deduction	2,248	0.9	139	0.2	730	0.6	829	2.3	—	—
Net casualty or theft loss deduction	76	( )	31	( )	39	( )	5	( )	—	—
Miscellaneous deductions	24,011	9.7	4,775	7.0	15,252	13.6	2,998	8.3	504	19.8
Foreign tax credit	1,420	0.6	307	0.4	644	0.6	301	0.8	1	( )
Investment credit	16,215	6.5	4,332	6.3	8,327	7.4	2,954	8.2	65	2.6
Jobs credit	279	0.1	64	0.1	29	( )	50	0.1	—	—
No second largest item	6,956	2.8	3,694	5.4	334	0.3	115	0.3	—	—
Returns Without Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**447**	**100.0**	**271**	**60.6**	**3**	**0.7**	**10**	**2.2**	**4**	**0.9**
Interest paid deduction	76	17.0	—	—	†	†	†	†	—	—
Taxes paid deduction	144	32.2	123	45.4	—	—	†	†	—	—
Contributions deduction	118	26.4	101	37.3	†	†	—	—	†	†
Medical and dental expense deduction	3	0.7	†	†	—	—	†	†	—	—
Net casualty or theft loss deduction	3	0.7	3	1.1	—	—	—	—	—	—
Miscellaneous deductions	36	8.1	30	11.1	—	—	—	—	†	†
Foreign tax credit	7	1.6	6	2.2	†	†	—	—	—	—
Investment credit	7	1.6	5	1.8	—	—	†	†	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	53	11.9	†	†	—	—	—	—	—	—
Returns with expanded income $200,000 or more										
Total	**579**	**100.0**	**273**	**47.2**	**4**	**0.7**	**8**	**1.4**	**4**	**0.7**
Interest paid deduction	183	31.6	—	—	1	25.0	5	62.5	—	—
Taxes paid deduction	90	15.5	49	17.9	—	—	1	12.5	—	—
Contributions deduction	82	14.2	65	23.8	2	50.0	—	—	2	50.0
Medical and dental expense deduction	1	0.2	—	—	—	—	1	12.5	—	—
Net casualty or theft loss deduction	2	0.3	2	0.7	—	—	—	—	—	—
Miscellaneous deductions	22	3.8	17	6.2	—	—	—	—	2	50.0
Foreign tax credit	3	0.5	2	0.7	1	25.0	—	—	—	—
Investment credit	3	0.5	1	0.4	—	—	1	12.5	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	193	33.3	137	50.2	—	—	—	—	—	—

Footnote(s) at end of table.

Table 7 — Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect — Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect — Continued									
	Net casualty or theft loss deduction		Miscellaneous deductions		Foreign tax credit		Investment credit		Jobs credit	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Return With Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**131**	**0.1**	**5,947**	**3.0**	**1,551**	**0.8**	**12,792**	**6.5**	**243**	**0.1**
Interest paid deduction	93	71.0	1,639	27.6	587	37.8	3,848	30.1	119	49.0
Taxes paid deduction	9	6.9	3,065	51.5	521	33.6	5,324	41.6	14	5.8
Contributions deduction	23	17.6	919	15.5	69	4.4	1,951	15.3	†	†
Medical and dental expense deduction	—	—	236	4.0	138	8.9	24	0.2	†	†
Net casualty or theft loss deduction	—	—	†	†	—	—	—	—	—	—
Miscellaneous deductions	6	4.6	—	—	99	6.4	343	2.7	—	—
Foreign tax credit	—	—	5	0.1	—	—	19	0.1	—	—
Investment credit	—	—	77	1.3	18	1.2	—	—	98	40.3
Jobs credit	—	—	—	—	—	—	94	0.7	—	—
No second largest item	—	—	†	†	119	7.7	1,189	9.3	†	†
Returns with expanded income $200,000 or more										
Total	**114**	**( )**	**8,030**	**3.2**	**1,906**	**0.8**	**19,020**	**7.6**	**335**	**0.1**
Interest paid deduction	75	65.8	2,208	27.5	574	30.1	6,997	36.8	93	27.8
Taxes paid deduction	10	8.8	4,084	50.9	701	36.8	6,452	33.9	32	9.6
Contributions deduction	23	20.2	1,048	13.1	70	3.7	2,346	12.3	6	1.8
Medical and dental expense deduction	—	—	387	4.8	138	7.2	24	0.1	1	0.3
Net casualty or theft loss deduction	—	—	1	( )	—	—	—	—	—	—
Miscellaneous deductions	6	5.3	—	—	121	6.3	355	1.9	—	—
Foreign tax credit	—	—	5	0.1	—	—	162	0.9	—	—
Investment credit	—	—	292	3.6	43	2.3	—	—	202	60.3
Jobs credit	—	—	—	—	—	—	136	0.7	—	—
No second largest item	—	—	5	0.1	259	13.6	2,548	13.4	1	0.3
Returns Without Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**23**	**5.1**	**17**	**3.8**	**115**	**25.7**	**4**	**0.9**	**—**	**—**
Interest paid deduction	17	73.9	7	41.2	42	36.5	†	†	—	—
Taxes paid deduction	†	†	5	29.4	10	8.7	†	†	—	—
Contributions deduction	†	†	†	†	12	10.4	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	†	†	—	—	3	2.6	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	†	†	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	†	†	48	41.7	†	†	—	—
Returns with expanded income $200,000 or more										
Total	**22**	**3.8**	**91**	**15.7**	**137**	**23.7**	**40**	**6.9**	**—**	**—**
Interest paid deduction	16	72.7	81	89.0	41	29.9	39	97.5	—	—
Taxes paid deduction	4	18.2	5	5.5	31	22.6	—	—	—	—
Contributions deduction	1	4.5	1	1.1	11	8.0	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	1	4.5	—	—	2	1.5	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	1	1.1	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	3	3.3	52	38.0	1	2.5	—	—

( )Less than 0.05 percent.

†Data deleted to avoid disclosure of information of specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.

Table 8 —Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect									
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and d expense dedu	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Pe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Returns With Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**198,287**	**100.0**	**56,994**	**28.7**	**91,706**	**46.2**	**28,452**	**14.3**	**1,901**	
Interest paid deduction	51,421	25.9	—	—	39,220	42.8	6,289	22.1	136	
Taxes paid deduction	64,293	32.4	37,577	65.9	—	—	17,026	59.8	1,233	
Contributions deduction	45,583	23.0	9,137	16.0	33,290	36.3	—	—	248	
Medical and dental expense deduction	1,147	0.6	107	0.2	475	0.5	303	1.1	—	
Net casualty or theft loss deduction	76	( )	31	0.1	38	( )	5	( )	—	
Miscellaneous deductions	18,905	9.5	4,224	7.4	11,642	12.7	2,430	8.5	260	
Foreign tax credit	—	—	—	—	—	—	—	—	—	
Investment credit	13,940	7.0	4,694	8.2	6,735	7.3	2,307	8.1	26	
Jobs credit	210	0.1	37	0.1	29	( )	50	0.2	—	
No second largest item	2,712	1.4	1,187	2.1	277	0.3	40	0.1	—	
Returns with expanded income $200,000 or more										
Total	**248,862**	**100.0**	**69,330**	**27.9**	**113,109**	**45.4**	**36,099**	**14.5**	**2,679**	
Interest paid deduction	63,354	25.5	—	—	45,592	40.3	7,976	22.1	306	
Taxes paid deduction	78,864	31.7	45,655	65.9	—	—	21,128	58.5	1,461	
Contributions deduction	56,443	22.7	10,257	14.8	42,412	37.5	—	—	343	
Medical and dental expense deduction	2,112	0.8	140	0.2	730	0.6	830	2.3	—	
Net casualty or theft loss deduction	77	( )	31	( )	39	( )	5	( )	—	
Miscellaneous deductions	24,220	9.7	4,838	7.0	15,482	13.7	3,035	8.4	504	
Foreign tax credit	—	—	—	—	—	—	—	—	—	
Investment credit	16,348	6.6	4,337	6.3	8,489	7.5	2,960	8.2	65	
Jobs credit	260	0.1	84	0.1	29	( )	50	0.1	—	
No second largest item	7,184	2.9	4,008	5.8	336	0.3	115	0.3	—	
Returns Without Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**321**	**100.0**	**263**	**81.9**	†	†	**10**	**3.1**	†	
Interest paid deduction	34	10.6	—	—	†	†	†	†	—	
Taxes paid deduction	131	40.8	121	46.0	—	—	†	†	—	
Contributions deduction	105	32.7	101	38.4	—	—	—	—	†	
Medical and dental expense deduction	3	0.9	†	†	—	—	†	†	—	
Net casualty or theft loss deduction	†	†	†	†	—	—	—	—	—	
Miscellaneous deductions	33	10.3	30	11.4	—	—	—	—	†	
Foreign tax credit	—	—	—	—	—	—	—	—	—	
Investment credit	7	2.2	5	1.9	—	—	†	†	—	
Jobs credit	—	—	—	—	—	—	—	—	—	
No second largest item	†	†	†	†	—	—	—	—	—	
Returns with expanded income $200,000 or more										
Total	**437**	**100.0**	**270**	**61.8**	**2**	**0.5**	**8**	**1.8**	**4**	
Interest paid deduction	142	32.5	—	—	1	50.0	5	62.5	—	
Taxes paid deduction	58	13.3	48	17.8	—	—	1	12.5	—	
Contributions deduction	70	16.0	65	24.1	1	50.0	—	—	2	
Medical and dental expense deduction	1	0.2	—	—	—	—	1	12.5	—	
Net casualty or theft loss deduction	2	0.5	2	0.7	—	—	—	—	—	
Miscellaneous deductions	20	4.6	17	6.3	—	—	—	—	2	
Foreign tax credit	—	—	—	—	—	—	—	—	—	
Investment credit	3	0.7	1	0.4	—	—	1	12.5	—	
Jobs credit	—	—	—	—	—	—	—	—	—	
No second largest item	141	32.3	137	50.7	—	—	—	—	—	

Footnote(s) at end of table.

Table 8 — Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect — Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect — Continued									
	Net casualty or theft loss deduction		Miscellaneous deductions		Foreign tax credit		Investment credit		Jobs credit	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Returns With Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**131**	**0.1**	**6,049**	**3.1**	—	—	**12,811**	**6.8**	**243**	**0.1**
Interest paid deduction	93	71.0	1,708	28.2	—	—	3,856	30.1	119	49.0
Taxes paid deduction	9	6.9	3,098	51.2	—	—	5,336	41.7	14	5.8
Contributions deduction	23	17.6	923	15.3	—	—	1,955	15.3	†	†
Medical and dental expense deduction	—	—	236	3.9	—	—	†	†	†	†
Net casualty or theft loss deduction	—	—	†	†	—	—	†	†	—	—
Miscellaneous deductions	6	4.6	—	—	—	—	343	2.7	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	80	1.3	—	—	—	—	98	40.3
Jobs credit	—	—	—	—	—	—	94	0.7	—	—
No second largest item	—	—	†	†	—	—	1,202	9.4	†	†
Returns with expanded income $200,000 or more										
Total	**114**	**( )**	**8,153**	**3.3**	—	—	**19,063**	**7.7**	**335**	**0.1**
Interest paid deduction	75	65.8	2,298	28.2	—	—	7,014	36.8	93	27.8
Taxes paid deduction	10	8.8	4,115	50.5	—	—	6,463	33.9	32	9.6
Contributions deduction	23	20.2	1,052	12.9	—	—	2,350	12.3	6	1.8
Medical and dental expense deduction	—	—	387	4.7	—	—	24	0.1	1	0.3
Net casualty or theft loss deduction	—	—	1	( )	—	—	1	( )	—	—
Miscellaneous deductions	6	5.3	—	—	—	—	355	1.9	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	295	3.6	—	—	—	—	202	60.3
Jobs credit	—	—	—	—	—	—	137	0.7	—	—
No second largest item	—	—	5	0.1	—	—	2,719	14.3	1	0.3
Returns Without Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**23**	**7.2**	**17**	**5.3**	—	—	**3**	**0.9**	—	—
Interest paid deduction	17	73.9	7	41.2	—	—	†	†	—	—
Taxes paid deduction	†	†	5	29.4	—	—	—	—	—	—
Contributions deduction	†	†	†	†	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	†	†	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	†	†	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	†	†	—	—	†	†	—	—
Returns with expanded income $200,000 or more										
Total	**22**	**5.0**	**91**	**20.8**	—	—	**40**	**9.2**	—	—
Interest paid deduction	16	72.7	81	89.0	—	—	39	97.5	—	—
Taxes paid deduction	4	18.2	5	5.5	—	—	—	—	—	—
Contributions deduction	1	4.5	1	1.1	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	1	4.5	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	1	1.1	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	3	3.3	—	—	1	2.5	—	—

( )Less than 0.05 percent.

†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.

Table 9 —Returns Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percent of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more									
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total itemized deductions	447	45	63	9	7	2	3	4	5	34
Interest paid deduction:										
Total	447	59	79	17	9	8	10	8	9	69
Investment interest per income concept	447	82	109	23	19	15	16	21	15	83
Investment interest exceeding investment income per concept	447	210	126	21	20	16	9	3	3	26
Taxes paid deduction	447	58	321	44	12	4	4	†	†	†
Contributions deduction	447	93	256	37	11	16	24	10	—	—
Medical and dental expenses deduction	447	426	13	†	—	†	†	—	—	3
Net casualty or theft loss deduction	447	420	†	—	†	—	†	†	†	7
Miscellaneous deductions	447	119	276	22	6	†	†	†	5	7
Deduction equivalent of:										
Total credits	447	297	14	3	6	5	†	7	†	109
Foreign tax credit	447	321	1/	†	†	4	3	5	—	108
Investment credit	447	418	17	3	4	†	—	†	†	†
Jobs credit	447	447	—	—	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	447	95	258	31	22	7	5	†	†	8

Type of deduction or credit	Returns with expanded income $200,000 or more									
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Total itemized deductions	579	187	133	12	5	42	79	10	1	15
Interest paid deduction:										
Total	579	290	165	16	42	4	6	4	1	22
Investment interest per income concept	579	321	157	9	47	11	6	7	2	6
Investment interest exceeding investment income per concept	579	455	73	8	4	4	3	3	1	11
Taxes paid deduction	579	196	353	17	5	3	1	—	2	—
Contributions deduction	579	240	299	15	2	5	3	9	1	1
Medical and dental expenses deduction	579	527	46	2	—	—	—	—	—	3
Net casualty or theft loss deduction	579	555	—	—	1	—	—	2	1	10
Miscellaneous deductions	579	217	250	9	3	4	75	2	2	9
Deduction equivalent of:										
Total credits	579	385	46	1	3	5	25	7	3	104
Foreign tax credit	579	437	1	—	1	4	25	5	3	103
Investment credit	579	525	47	1	2	1	—	2	—	1
Jobs credit	579	579	—	—	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	579	76	118	18	7	2	22	84	8	63

†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 10 — Returns Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percent of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	321	†	†	—	†	—	—	†	†	†	285
Interest paid deduction:											
Total	321	10	18	13	6	5	7	7	8	88	159
Investment interest per income concept	321	24	51	19	17	13	16	20	14	83	64
Investment interest exceeding investment income per concept	321	120	94	20	18	15	9	3	3	26	13
Taxes paid deduction	321	8	255	38	10	†	4	†	†	†	—
Contributions deduction	321	31	198	31	11	16	24	10	—	—	—
Medical and dental expenses deduction	321	306	7	†	—	†	†	—	—	3	†
Net casualty or theft loss deduction	321	294	†	—	†	—	†	†	†	7	12
Miscellaneous deductions	321	62	211	19	5	†	†	†	5	7	7
Deduction equivalent of:											
Total credits	321	297	13	3	4	†	—	†	—	†	—
Foreign tax credit	321	321	—	—	—	—	—	—	—	—	—
Investment credit	321	297	13	3	4	†	—	†	—	†	—
Jobs credit	321	321	—	—	—	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	321	51	189	25	22	6	5	†	†	7	11

Type of deduction or credit	Returns with expanded income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	437	138	58	5	2	40	77	7	1	14	95
Interest paid deduction:											
Total	437	200	120	12	39	4	6	4	1	22	29
Investment interest per income concept	437	237	106	9	43	10	5	7	1	6	13
Investment interest exceeding investment income per concept	437	341	48	7	2	4	3	3	1	11	17
Taxes paid deduction	437	143	270	15	3	2	1	—	1	—	2
Contributions deduction	437	155	246	11	2	5	3	9	1	1	4
Medical and dental expenses deduction	437	390	41	2	—	—	—	—	—	3	1
Net casualty or theft loss deduction	437	413	—	—	1	—	—	2	1	10	10
Miscellaneous deductions	437	156	173	6	2	4	75	2	2	9	8
Deduction equivalent of:											
Total credits	437	385	45	1	2	1	—	2	—	1	—
Foreign tax credit	437	437	—	—	—	—	—	—	—	—	—
Investment credit	437	385	45	1	2	1	—	2	—	1	—
Jobs credit	437	437	—	—	—	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	437	35	51	12	6	2	—	79	8	63	181

†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 11 — Returns With and Without Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income					Size of expanded income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	96,321,310	91,086,723	4,414,028	621,951	198,608	96,321,310	90,906,700	4,477,515	687,776	249,31
Returns without total income tax:										
Number of returns	16,900,025	16,879,602	17,792	2,184	447	16,900,025	16,878,147	18,643	2,656	570
Percent of total	17.5	18.5	0.4	0.4	0.2	17.5	18.6	0.4	0.4	0.2
Returns with total income tax:										
Number of returns	79,421,285	74,207,121	4,396,236	619,767	198,161	79,421,285	74,028,553	4,458,872	685,120	248,74
Percent of total	82.5	81.5	99.6	99.6	99.8	82.5	81.4	99.6	99.6	99.8
Effective tax rate:										
Under 5 percent										
Number of returns	14,836,903	14,774,453	55,343	5,658	1,449	14,997,424	14,915,239	75,023	5,919	1,24
Percent of total	15.4	16.2	1.3	0.9	0.7	15.6	16.4	1.7	0.9	0.5
5 under 10 percent										
Number of returns	25,724,147	25,535,349	173,997	13,209	1,592	25,873,852	25,577,373	270,867	23,300	2,31
Percent of total	26.7	28.0	3.9	2.1	0.8	26.9	28.1	6.0	3.4	0.9
10 under 15 percent										
Number of returns	25,318,863	24,591,169	695,043	28,846	3,805	25,252,495	24,416,954	739,764	82,557	13,22
Percent of total	26.3	27.0	15.7	4.6	1.9	26.2	26.9	16.5	12.0	5.3
15 under 20 percent										
Number of returns	10,018,278	8 240,311	1,711,125	58,980	7,862	10,051,495	8,129,265	1,756,832	104,937	60,46
Percent of total	10.4	9.0	38.8	9.5	4.0	10.4	8.9	39.2	15.3	24.3
20 under 25 percent										
Number of returns	2,399,311	953,670	1,311,306	122,938	11,397	2,300,291	896,024	1,241,241	133,381	29,56
Percent of total	2.5	1.0	29.7	19.6	5.7	2.4	1.0	27.7	19.4	11.9
25 under 30 percent										
Number of returns	658,492	83,710	362,006	190,744	22,032	603,231	73,067	321,394	179,468	29,38
Percent of total	0.7	0.1	8.2	30.7	11.1	0.6	0.1	7.2	26.1	11.8
30 under 35 percent										
Number of returns	260,197	6,367	69,142	143,516	41,172	207,789	4,326	47,197	117,190	39,07
Percent of total	0.3	( )	1.6	23.1	20.7	0.2	( )	1.1	17.0	15.7
35 under 40 percent										
Number of returns	121,192	3,740	10,954	46,229	60,269	68,237	2,361	4,572	34,061	47,20
Percent of total	0.1	( )	0.2	7.4	30.3	0.1	( )	0.1	5.0	[illegible]
40 under 45 percent										
Number of returns	52,637	6,890	1,902	6,247	37,598	32,304	6,031	195	3,430	22,8
Percent of total	0.1	( )	( )	1.0	18.9	( )	( )	( )	0.5	[illegible]
45 under 50 percent										
Number of returns	14,572	1,994	2,041	1,572	8,965	5,610	1,930	1,019	265	[illegible]
Percent of total	( )	( )	( )	0.3	4.5	( )	( )	( )	( )	[illegible]
50 under 60 percent										
Number of returns	7,811	3,991	1,599	900	1,321	3,334	3,043	4	171	[illegible]
Percent of total	( )	( )	( )	0.1	0.7	( )	( )	( )	( )	[illegible]
60 under 70 percent										
Number of returns	2,254	1,231	372	308	343	525	1	137	247	[illegible]
Percent of total	( )	( )	( )	( )	0.2	( )	( )	( )	( )	[illegible]
70 under 80 percent										
Number of returns	1,469	442	461	398	168	193	—	1	171	
Percent of total	( )	( )	( )	0.1	0.1	( )	—	( )	( )	
80 percent or more										
Number of returns	5,159	3,804	945	222	188	3,505	2,939	526	20	
Percent of total	( )	( )	( )	( )	0.1	( )	( )	( )	( )	

( )Less than 0.05 percent.
NOTE: Detail may not add to total because of rounding.

Table 12 — Returns With and Without Modified Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income: Total	Size of adjusted gross income: Under $50,000	Size of adjusted gross income: $50,000 under $100,000	Size of adjusted gross income: $100,000 under $200,000	Size of adjusted gross income: $200,000 or more	Size of expended income: Total	Size of expended income: Under $50,000	Size of expended income: $50,000 under $100,000	Size of expended income: $100,000 under $200,000	Size of expended income: $200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**96,321,310**	**91,086,723**	**4,414,028**	**621,951**	**198,608**	**96,321,310**	**90,906,700**	**4,477,515**	**687,776**	**249,319**
Returns without modified total income tax:										
Number of returns	16,870,395	16,852,742	15,726	1,606	321	16,870,395	16,851,267	16,598	2,093	437
Percent of total	17.5	18.5	0.4	0.3	0.2	17.5	18.5	0.4	0.3	0.2
Returns with modified total income tax:										
Number of returns	79,450,915	74,233,981	4,398,302	620,345	198,287	79,450,915	74,055,433	4,460,917	685,683	248,882
Percent of total	82.5	81.5	99.6	99.7	99.8	82.5	81.5	99.6	99.7	99.8
Effective tax rate:										
Under 5 percent										
Number of returns	14,824,546	14,766,473	52,276	4,732	1,065	14,985,074	14,907,214	71,980	5,068	812
Percent of total	15.4	16.2	1.2	0.8	0.5	15.6	16.4	1.6	0.7	0.3
5 under 10 percent										
Number of returns	25,725,778	25,541,171	170,810	12,445	1,352	25,875,690	25,583,503	267,886	22,347	1,954
Percent of total	26.7	28.0	3.9	2.0	0.7	26.9	28.1	6.0	3.2	0.8
10 under 15 percent										
Number of returns	25,331,398	24,605,311	694,438	28,176	3,473	25,263,955	24,430,872	738,610	81,709	12,764
Percent of total	26.3	27.0	15.7	4.5	1.7	26.2	26.9	16.5	11.9	5.1
15 under 20 percent										
Number of returns	10,026,749	8,251,390	1,709,725	58,012	7,622	10,060,485	8,139,566	1,755,522	104,774	60,623
Percent of total	10.4	9.1	38.7	9.3	3.8	10.4	9.0	39.2	15.2	24.3
20 under 25 percent										
Number of returns	2,404,056	955,911	1,314,590	122,356	11,199	2,306,647	899,521	1,245,331	132,701	29,094
Percent of total	2.5	1.0	29.8	19.7	5.6	2.4	1.0	27.8	19.3	11.7
25 under 30 percent										
Number of returns	665,108	85,085	366,506	191,709	21,808	609,682	73,967	326,027	180,422	29,266
Percent of total	0.7	0.1	8.3	30.8	11.0	0.6	0.1	7.3	26.2	11.7
30 under 35 percent										
Number of returns	264,239	6,411	71,023	145,214	41,591	210,780	4,348	48,555	118,489	39,368
Percent of total	0.3	( )	1.6	23.3	20.9	0.2	( )	1.1	17.2	15.8
35 under 40 percent										
Number of returns	123,449	3,877	11,614	47,181	60,777	90,592	2,361	5,124	35,151	47,956
Percent of total	0.1	( )	0.3	7.6	30.6	0.1	( )	0.1	5.1	19.2
40 under 45 percent										
Number of returns	54,157	6,890	1,902	7,098	38,267	33,587	6,031	195	4,102	23,259
Percent of total	0.1	( )	( )	1.1	19.3	( )	( )	( )	0.6	9.3
45 under 50 percent										
Number of returns	14,691	1,973	2,041	1,594	9,083	6,820	2,046	1,019	311	3,444
Percent of total	( )	( )	( )	0.3	4.6	( )	( )	( )	( )	1.4
50 under 60 percent										
Number of returns	7,858	4,012	1,599	899	1,348	3,379	3,064	4	171	140
Percent of total	( )	( )	( )	0.1	0.7	( )	( )	( )	( )	0.1
60 under 70 percent										
Number of returns	2,256	1,231	372	307	346	526	1	137	247	141
Percent of total	( )	( )	( )	( )	0.2	( )	( )	( )	( )	0.1
70 under 80 percent										
Number of returns	1,469	442	461	399	167	193	—	1	171	21
Percent of total	( )	( )	( )	0.1	0.1	( )	—	( )	( )	( )
80 percent or more										
Number of returns	5,161	3,804	945	223	189	3,505	2,939	526	20	20
Percent of total	( )	( )	( )	( )	0.1	( )	( )	( )	( )	( )

( )Less than 0.05 percent.
NOTE: Detail may not add to total because of rounding.

An Analysis of Partnership Activity, 1981-83

By Lowell Dworin*

The extensive marketing of "tax shelter" investments has caused many taxpayers to question the fairness of the tax system [1]. Because partnerships have frequently been used to conduct tax shelter activities, there has been considerable interest in examining the statistics on partnership income and losses. However, there are a number of reasons why previous Statistics of Income (SOI) data on partnership activity [2, 3] may not have fully revealed the impact of tax shelter activity.

TAXATION OF PARTNERSHIPS AND PARTNERS

There are two types of partnerships: general and limited. Tax shelter investors are more likely to acquire interests in limited partnerships, since doing so limits their exposure to the amount invested (or pledged under a letter of credit or other guarantee). As a result, aggregating the income and deductions reported by limited and general partnerships may somewhat mask the true picture of partnership tax shelter activity. Because no distinction had been made between these two types of partnerships in previous studies [2, 3], one objective of this article is to specifically examine the different patterns of deductions claimed and other aspects of their financial behavior.

Although a partnership is a legal entity, it is not taxed on the income it earns. Instead, the individual partners are generally taxed on their share of partnership earnings, whether they receive any actual partnership distributions. The partnership files an annual information return, Form 1065, with the Internal Revenue Service (IRS) and also provides a supplemental information schedule, Schedule K-1 (Form 1065), to each partner. The Schedule K-1 indicates the partner's share of the various items of partnership income, credits, deductions and other items so that the partner has the information necessary to complete his or her income tax return. A copy of each Schedule K-1 is provided with the Form 1065 filed with the IRS. An additional information schedule, Schedule K, which summarizes the information contained on the individual Schedules K-1, is also provided with the Form 1065. (For 1983 and later years, however, if the partnership has 10 or fewer partners, it may elect not to file a Schedule K.)

In general, only by examining the items reported on the Schedule K (or separate Schedules K-1 if a Schedule K is not filed) can the tax consequences for the individual partners be determined. The net income reported on the Form 1065 represents only one component (although frequently the major component) of the income or loss reported by the partners.

Specifically, with reference to Table 1, partnership net income, which is the "bottom line" of the Form 1065, indicates the amount of "ordinary" income (or loss) to be allocated to the individual partners in accordance with their profit (or loss) sharing ratios (capital gains or losses are excluded). However, if items of income or expense are specially allocated to individual partners or are subject to special treatment by partners (such as capital gains), or are subject to special limitations or elections applicable at the partner level (such as investment interest expense or intangible drilling costs), they are not included in the net income reported on the Form 1065. Most of these items are reported instead on Schedules K-1 and K, but some, such as oil and gas depletion, are not reported on either the Form 1065 or Schedules K-1 or K. In short, the Form 1065 partnership net income or deficit does not necessarily reflect all of the partnership's income or deductions.

Thus, a second objective of this article is to use these Schedule K items, some of which were tabulated for 1983, to determine the tax benefits or costs that flow to the partners by virtue of their ownership of a partnership interest. These Schedule K items are also shown in Table 1. Because some items may not have been reported on either the Form 1065 or Schedule K, or may not have been available because no Schedule K was filed, it is not possible to compute the total income or loss incurred by the individual partners without use of some estimating procedures.

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For this study, the most significant items that could not be directly determined, but that could be inferred from other available information, are those related to mineral extraction. In particular, oil and gas depletion, hard-mineral exploration and development costs, and intangible drilling costs (including dry hole costs) all had to be estimated and are indicated in Table 1. Although, in principle, the reported investment interest expense for 1983 should also be adjusted for partnerships with 10 or fewer partners that were not required to file a Schedule K, it was not possible to discern a consistent method for doing so. Therefore, this adjustment was not made. (The specific methods used to impute the mineral extraction costs are described below, under Data Sources and Limitations [4].)

In addition to the need to estimate certain items that were not included in the annual SOI studies of partnerships, certain other adjustments were also necessary for Table 1 in order to obtain an amount representing the contribution to taxable income reported by the partners as a result of partnership activities. Although guaranteed payments to partners are reported as a partnership expense on the Form 1065, they also represent income that must be reported by the partner (or partners) receiving such payments, and thus should be added back to the Form 1065 partnership net income to reflect more clearly the total income required to be reported by the partners. Also, a partnership may have income or losses through its ownership of interests in other partnerships. Since inclusion of such amounts would represent double counting of aggregate partnership income, these amounts (which generally are losses) should be deducted from the Form 1065 net income. Because the activities of partnerships that are classified as holding companies would be distorted if such income were eliminated, this adjustment was not made for this one industry (although it was made for all other industries and for the aggregate amounts noted).

GROWTH IN PARTNERSHIP ACTIVITY

Table 1 also provides summary statistics for partnerships for Tax Years 1981-83. The number of partnerships and the number of partners, both in total and by type of partnership (general or limited), are shown. Total assets and the partnership net income or deficit, together with the adjustments previously mentioned that are necessary to reflect the contribution to the taxable income reported by the partners with respect to their partnership interests, are also noted. This table shows the overall level of partnership activity and the growth of such activity in recent years.

Data in the first three rows and columns of Table 1 are consistent with those previously published on partnerships [2, 3]. However, a more detailed separation into limited and general partnerships, and the additional data on items other than the Form 1065 partnership net income (and capital gain income) are new [5]. It may be noted from this table that whereas the number of partners in general partnerships remained fairly steady, the number of partners in limited partnerships, and the number of such partnerships, increased rapidly from 1981 to 1983. Indeed, despite the fact that for 1983 there were nearly si times as many general partnerships, there were more partners in limited partnerships than in general partnerships.

The adjustments noted were made to the partnership (Form 1065) net income or defici to obtain amounts more reflective of the tota taxable income that the partners had to repor as a result of their ownership of partnershi interests. (As already mentioned, the firs adjustment consisted of subtracting the incom reported as earned from their ownership o other partnership interests and adding bac the guaranteed payments to partners.) Fo convenience, these adjustments also involve the subtraction of the estimated dry hol costs and non-oil and gas depletion reporte on the Form 1065 so that these specific cost could be included with the estimated miner exploration costs also shown in Table 1.

From the resulting "adjusted" partnershi net income or deficit several additiona adjustments were made. These essentiall involved inclusion of those items of income expense reported on Schedule K rather than Form 1065. Because foreign source income a net losses from sales of partnership asse under Code section 1231 and speciall allocated losses were not compiled for 1 and 1982, the 1983 values were assumed f those years. Investment interest expen which is the interest incurred to acquire carry certain passive investment property, not compiled for 1981, and thus the 1982 val (scaled to reflect the relative change partnership long-term debt between 1981 1982) was used as a surrogate for the 1 value. Because this approximation negle the fact that interest rates were higher 1981 than in 1982, it may understate the 1 value.

As a result of these adjustments, ordinary net income or deficit was obtaine To this income, 40 percent of the long-term capital gains and section 1231 gains and specially allocated income were added to represent the portion of long-term gains taxable to partners and are included in "contribution to partner's taxable income before investment credit adjustment". Unfortunately, the section 1231 gains are not available for 1981 and 1982, and thus only the partnership "ordinary" net income or loss is shown for those years. ("Contribution to taxable income after investment credit adjustment" is the total effective taxable income that would have been reported by the partners if their share of the estimated investment credit earned by the partnership were expressed as an equivalent deduction, as described under Data Sources and Limitations.)

As may be noted from Table 1 and highlighted in Figure A, general partnerships in the aggregate appear to realize ordinary net income, while limited partnerships tend to incur losses. In addition though, for 1983, the net income of general partnerships clearly reflects the 1983 recovery from the 1980-82 recession [6]. In contrast, the losses of limited partnerships continued to grow, despite the 1983 upturn. It may also be noted that the estimated mineral exploration costs for both general and limited partnerships declined from 1981 through 1983. This largely reflects the cutback in oil and gas drilling activity over this period in response to the decline in oil prices [7].

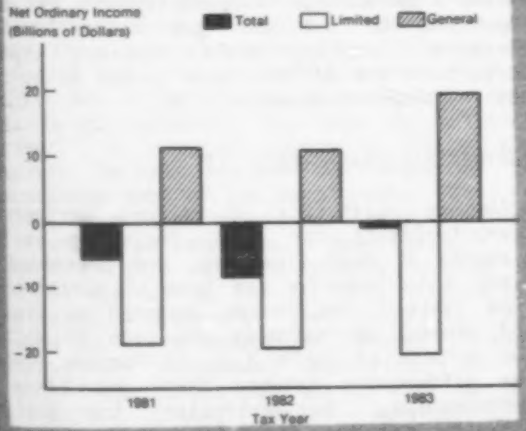

Figure 1
Partnership Net Ordinary Income by Type of Partnership, 1981-83

The difference between the net income required to be reported by the partners and the Form 1065 partnership net income may be seen by comparing the ordinary net income or deficit with the partnership (Form 1065) net income or deficit amounts shown in Table 1. In general, the losses incurred by the partners in limited partnerships are seen to be somewhat greater than the Form 1065 net losses, while the profits incurred by the partners in general partnerships are somewhat greater than the partnership net income reported on the Form 1065 [8]. A similar correspondence between Form 1065 partnership net income and contribution to partner's taxable income after investment credit adjustment may be noted for 1983, which is the only year shown for which data on section 1231 net gains were actually available and the only year for which data were available to estimate the investment credit.

INCOME AND DEDUCTIONS BY INDUSTRY

In Table 2 the income and deductions reported by (or attributed to) partnerships for 1983 are disaggregated by the nature of the partnership activity. Summary statistics for most industrial divisions, and for each industrial group for which aggregate partnership losses exceeded $100 million, are presented. The purpose of this table is to indicate the level of partnership activity across industries, as well as to indicate the relative magnitude of the interest, depreciation, mineral exploration costs, and all other partnership deductions, and investment credit equivalent for each industry. Thus, in addition to the estimated mineral exploration costs, ordinary net income or deficit, and investment credit adjustment noted in Table 1, more detailed information regarding the income and deductions reported by all partnerships for 1983 is provided in this table.

The ordinary gross income shown in column 1 of Table 2 represents the sum of business receipts less cost of sales and operations, gross rents, interest and dividend income, farm and royalty net income or loss, ordinary net gain from the sale of partnership assets, and other income reported on the Form 1065, plus ordinary net losses under section 1231 (which, for the most part, represent the depreciation recapture) and foreign source income reported on the Schedule K [9]. Income from "other" partnerships is excluded from the aggregate amount and from the partnership income reported for each industry (with the exception of partnerships classified as holding companies).

Interest expense, depreciation, and estimated mineral exploration costs (depletion, hard-mineral exploration and development costs, and intangible drilling costs, including dry hole costs) are presented in columns 2 through 4 of Table 2. The interest expense shown is the sum of the net interest reported on the Form 1065 (i.e., interest received minus interest deducted) and the investment interest expense reported on Schedule K, plus the separately reported rental interest expense. The depreciation expense shown is the sum of the depreciation deduction reported in the Form 1065 income statement and the additional depreciation on rental property as listed in the schedule in support of rental net income. The estimated mineral exploration costs are obtained as described under Data Sources and Limitations, below.

The deductions shown in column 5 of Table 2 include certain salaries and wages, rent, taxes, bad debts, repairs, rental expenses (other than interest and depreciation), and "other" deductions shown on the Form 1065. Cost of sales and operations, guaranteed payments to partners, interest expense, depreciation, depletion (other than oil and gas), and estimated dry hole costs are excluded. (Dry hole costs are included in mineral exploration costs.) The partnership ordinary net income or deficit is shown in column 6. As has already been noted, because some items of income and expense are not reported in the Form 1065 income statement, and because of the adjustments made for income from other partnerships and guaranteed payments to partners, the amounts shown in this column are not the same as those shown in the previously-published statistics on partnerships which present only Form 1065 income statement information [2, 3]. Nevertheless, the ordinary net income shown in this table for the industries noted does not differ appreciably from the partnership net income reported in the Bulletin article examining 1983 data [2] with one exception: oil and gas extraction for which a larger net deficit is indicated.

The total long-term capital gain shown in column 7 of Table 2 was approximated by combining the net long-term capital gains and section 1231 net gain reported on the Schedule K. By adding 40 percent of this amount to the amount shown in column 6, a rough estimate of the total contribution to the taxable income required to be reported by the partners can be made.

The estimated investment credit was derived from the cost of property eligible for the credit reported on schedules attached to Form 1065 and is shown in column 8 of Table 2. Using an effective individual tax rate of 24 percent for loss partnerships and 29 percent for net income partnerships, as obtained from an analysis of data from individual income tax returns, this estimated investment credit was converted to an equivalent deduction by dividing the amount of the credit by an average marginal tax rate. For example, a $100 investment credit would shelter $400 of taxable income for a taxpayer subject to a 25-percent tax rate. Subtracting this equivalent deduction (which, due to possible neglect of investment credit or net operating loss carryforwards, may be somewhat overstated) from the taxable income as obtained above, an effective total contribution to the taxable income "after credits" required to be reported by the partners is obtained, as shown in column 9 of this table. These numbers are not appreciably different from the Form 1065 net income with the exception of the oil and gas industry (for which the effective contribution to taxable income represents a greater loss than may be inferred from the Form 1065 net deficit [10]) and the real estate industry (for which the effective contribution to taxable income represents a smaller loss than the Form 1065 net deficit).

From Table 2 it may be seen that although partnerships may engage in all types of business activities, they appear to be especially active in oil and gas extraction, construction, wholesale and retail trade, land development, and services. As expected, mineral exploration costs (depletion and intangible drilling costs, including dry hole costs) are a major factor in oil and gas extraction while, among the specific deductions noted, depreciation and interest deductions play an important role in real estate operations Depreciation is also important in oil and gas extraction and equipment leasing, while interest expense deductions are an important factor in holding and investment company activity.

PARTNERSHIP CHARACTERISTICS

Summary statistics of various partnership characteristics for 1983, including various measures of debt financing, are presented in Table 3 by industry and type of partnership. From Table 1 the income reported by limited and general partnerships was seen to differ. The purpose of Table 3 is to further explore the differences between these two kinds of partnerships. In particular, the business activity and the financing arrangements are compared. Note that the ratios shown in columns 7 and 8 in Table 3 are based on partnership debt and partners' capital account as reported for financial accounting purposes. Although partners' loss deductions are limited to their individual tax basis, hich thus cannot fall below zero, their apital accounts would fully reflect their hares of partnership losses, and could thus all below zero. This would typically arise nly in cases in which the partnership is eavily leveraged.

In some industries, such as manufacturing, onstruction, electric and gas services, and eef cattle (except feedlots), the fraction of artnerships operated as limited partnerships s relatively low. In contrast, in other ndustries, such as oil and gas extraction, eal estate operators and lessors of uildings, and motion picture and video roduction, limited partnerships constitute a ignificant fraction of total partnerships.

The average number of partners in each imited partnership is much larger than the verage number of partners in general artnerships in nearly all industries. Moreover, fewer limited partnerships report a "positive" net income than general artnerships. This, of course, is consistent with the fact (as noted in the discussion of Table 1) that, in the aggregate, general partnerships report profits while limited partnerships report losses.

From this table it can be seen that greater financial leverage is used in those industries in which the underlying assets may serve as security (such as real estate, motels and hotels, and equipment leasing). A greater fraction of nonrecourse debt (i.e., debt for which no partner is personally responsible) is used by limited partnerships, especially in the real estate industry. This may be explained by the fact that there are two separate limitations on a partner's ability to use the greater tax losses possible with debt financing. First, although a partner's tax basis in a general partnership (or a general partner's basis in a limited partnership) may include his or her share of partnership debt, this is not generally the case for a limited partner. A limited partner's basis may, however, include his or her share of the nonrecourse debt of the partnership. This, of course, encourages the use of nonrecourse debt by limited partnerships. Nevertheless, the benefit of such debt is greatly reduced for partners subject to the "at risk" limitation. (Individual taxpayers are generally only allowed to claim deductions related to their business or investment activities to the extent of the amount they are at risk for such activity.) Since, under current law, investment in real estate does not generally subject the partners to the "at risk" limitation, this method of financing is particularly attractive in this industry.

AGE OF PARTNERSHIPS

Table 4 shows how the various items of partnership income and expense vary by age of the partnership. The purpose of this table is to demonstrate that losses are usually incurred in the early years of the partnership, whereas profits are typically not realized until later in the partnership's life.

By examining the pattern of partnership receipts and expenses as a function of the age of the partnership, the temporal behavior of the taxable income that might be reported by the typical partnership may be inferred. The distribution of income and expense items by age of partnership is not, however, a perfect proxy for the actual temporal behavior of any individual partnership. Business cycles and secular economic growth cannot, of course, be captured. In order to adjust for the rapid growth in limited partnership activity, both the aggregate dollar amounts and the amount per partner are presented in Table 4.

From this table it may be seen that newly-formed partnerships (both limited and general) incur losses, whereas older partnerships realize positive income (or capital gains). However, the per partner losses appear to be somewhat greater for the limited partnerships than for the general partnerships. Moreover, per partner ordinary net income also appears to increase more rapidly with partnership vintage for general partnerships than for limited partnerships.

Although the single year's picture of the profits or losses reported by partnerships of varying vintage shown in Table 4 need not reflect the life cycle of the "typical" limited or general partnership, it is tempting to treat the per partner share of ordinary income and capital gains as if these amounts do in fact represent such profits or losses. If it is assumed that the pre-1973 partnerships noted in Table 4 were formed no earlier than 1969 (i.e., that partnerships have a 15-year life), then the sum of the per partner ordinary income and capital gains (without regard to the long-term capital gains exclusion) over each of the 15 years (as obtained from the per partner averages for partnerships of corresponding vintage) is found to be $22,438 for limited partnerships and $112,453 for general partnerships. To some extent, the greater cumulative per partner net income for general partnerships reflects the somewhat greater per partner total assets deployed ($70,160 for limited partnerships and $98,192 for general partnerships formed in 1983). Because taxable profits and losses need not represent economic profits and losses (although, over the assumed 15-year "life" of the partnership, the cumulative amounts should not be too different), these results do not necessarily imply (though they strongly suggest) that investments in limited partnerships provide less economic benefits than investments in general partnerships.

DATA SOURCES AND LIMITATIONS

The data examined in this report are from three annual studies of partnership returns, for 1981 through 1983, carried out by the Statistics of Income (SOI) Division. For each year, the estimates were derived from probability samples stratified by combinations of receipts, total assets, net income (or deficit), and industry. Descriptions of the methodology used to obtain these data as well as analyses of them are available from previous issues of the SOI Bulletin [2, 3].

Some caveats must be noted with reference to the information presented in the tables. First, it has been assumed that Code section 1231 net gains reported by the partnership will ultimately be treated as long-term capital gains by the partners (and conversely that net section 1231 net losses will be treated as ordinary losses by the partners). Second, limitations imposed by the tax laws on the amount of partnership losses that may be claimed by a partner, such as that due to inadequate basis in his or her partnership interest, the limitation on losses (section 704 (d)), the "at risk" limitation (section 465), the investment interest expense limitation (section 163(d)), have all been ignored. Third, potential tax liabilities resulting from each partner's share of partnership tax preference items under the alternative minimum tax are ignored. Fourth, any gains or losses that must be reported by individual partners resulting from their receipt of partnership distributions or sale of their partnership interest are ignored. Finally, not all partners are individuals, and thus the use of a 60 percent exclusion for long-term capital gains and the use of effective individual tax rates to translate the tax benefits associated with the investment credit into a single statistic, the "contribution to partner's taxable income after investment credit adjustment", is not altogether valid.

The method of reporting certain items of partnership expense and income has varied. For a number of years oil and gas depletion has been computed at the partner level and so it has not been reported in either the Form 1065 income statement or in Schedule K. For the returns examined, a number of other items, including hard-mineral exploration and
development expenses and intangible drilli
costs, were reported in Schedule K, but we
not tabulated. (After 1983, intangib
drilling costs are also not separate
reported on either the Form 1065 or Schedu
K.)

Although data on hard-mineral explorati
and development costs and intangible drilli
costs were not available, certain so-call
tax preference items related to these cos
were obtained from Schedule K. In particula
excess intangible drilling costs from oi
gas, or geothermal wells, net income from oi
gas, or geothermal wells, and "other" t
preference items were tabulated f
partnerships filing a Schedule K.

To estimate intangible drilling cos
attributable to successful wells, the report
excess intangible drilling costs we
increased by an estimated 10 percent. Th
was to adjust for the fact that the report
"excess" amount under current law is net
the deduction for intangible drilling cos
(that would have been claimed had these cos
been capitalized and either amortized over
years or written off on a units-of-producti
basis). Although a 10-percent increase m
overstate the adjustment had 10-ye
amortization been used, it may understate t
adjustment if a units-of-production meth
were used to calculate the excess intangib
drilling costs.

The oil and gas depletion deduction w
estimated as the lesser of 15 percent of t
business receipts reported in the inco
statement, or 50 percent of the net inco
from oil, gas, and geothermal wells for tho
oil and gas partnerships that filed a Schedu
K. This estimate is only approximate, becau
the net income from oil, gas, and geotherm
wells does not take into account exce
intangible drilling costs on producti
property. It was thus implicitly assumed th
such excess intangible drilling costs we
incurred on nonproductive properties (and th
did not affect percentage depletion, which
computed on a property-by-property basis).
was also implicitly assumed that producti
from all productive properties would quali
for percentage depletion. (This would not
valid if the partnership acquired prov
properties.) However, in some instances co
depletion might provide larger deductions th
percentage depletion. Thus, while t
estimate may overstate the actual percenta
depletion claimed, the calculated deducti
may provide a more accurate measure of t
total depletion allowance (cost or percentage

Since the excess intangible drilling cos
may be obtained only for those oil and g
partnerships that filed a Schedule K, t

computed intangible drilling costs were "scaled up" by the ratio (1.575) of the "other" deductions for oil and gas partnerships to the "other" deductions reported in the Form 1065 income statement for those oil and gas partnerships that filed a Schedule K. Likewise, the percentage depletion for those oil and gas partnerships not filing a Schedule K was imputed by "scaling up" the computed depletion by the ratio (1.867) of the business receipts for all oil and gas partnerships to the business receipts reported by those oil and gas partnerships filing a Schedule K.

These adjustments, which were required to compensate for the fact that not all partnerships filed a Schedule K for 1983, were not necessary for 1981 and 1982. As a test of their accuracy, the relative magnitude of the 1981, 1982, and 1983 estimated intangible drilling costs were compared with the level of drilling activity in these years [7]. Despite the several assumptions, it was found that the pattern of computed intangible drilling costs matched nearly exactly the pattern of rotary rig activity and reported industry-wide drilling expenditures during those years.

In addition, dry hole costs (which should be reported in "other" deductions on the Form 1065) were taken to be three-sevenths of the intangible drilling costs incurred on successful wells. This is the 1982 industry-wide ratio of dry hole costs to the drilling costs of successful wells [11]. For convenience, these estimated dry hole costs were subtracted from "other" deductions reported on the Form 1065 and added to the estimated intangible drilling costs on successful wells. Because the ratio of dry hole costs to successful well costs is likely to be greater for partnership ventures than for the overall industry, the resulting estimated intangible drilling costs (including dry hole costs) would tend to understate the actual costs. This should offset the possible overstatement of the percentage oil and gas depletion claimed.

The hard-mineral depletion expense was obtained directly from the Form 1065. It was assumed that the hard-mineral exploration and development costs constitute the "other" tax preference reported on Schedule K by partnerships in the mining industry. These costs were found to be relatively minor in comparison with the corresponding depletion expense obtained directly from the Form 1065.

NOTES AND REFERENCES

[1] See, for example, Nelson, Susan, "Taxes Paid by High - Income Taxpayers and the Growth of Partnerships," Statistics of Income Bulletin, Fall 1985, Vol. 5, No. 1. In this study, it was found that partnership losses are the principal means of offsetting the positive income of high-income individuals.

[2] Piet, Patrick, "Partnership Statistics for 1981 Reflect Tax Shelter Activity," Statistics of Income Bulletin, Winter 1983-84, Vol. 3, No. 3, ; "Partnership Returns, 1982," Statistics of Income Bulletin, Summer 1984, Vol. 4, No. 1 ; and "Partnership Returns, 1983," Statistics of Income Bulletin, Summer 1985, Vol. 5, No. 1.

[3] U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income 1978-82, Partnership Returns, Internal Revenue Service, June 1985.

[4] In previous Bulletin articles on partnership activity, it was assumed that some of these mineral extraction costs (especially intangible drilling costs) may have been included in "other" deductions on the Form 1065, notwithstanding tax form instructions to the contrary. Despite the (possible) validity of this assumption, the analysis described here expressly assumes that this is not the case.

[5] Selected items for selected industries for limited partnerships have been previously presented in a prior Statistics of Income publication, for Tax Years 1979-1982 [3].

[6] The temporal behavior of the net income reported by general partnerships (but not limited partnerships) matches rather closely the corresponding behavior of corporate profits.

[7] Moore, W.D. III, "Drilling Stabilizes at Sustainable Level with Broad Improvement Due in 1985," OGJ Special Report, Oil and Gas Journal, Oct. 1, 1984, p. 104.

[8] This is not the case for the general partnership gains for 1981. However, the assumed amounts ($1.3 billion in foreign source income and $0.6 billion section 1231 net gains or specially allocated items) are comparable in magnitude to the difference noted ($0.9 billion) and may be in part responsible for the anomalous behavior observed for this year.

[9] If the total of all section 1231 transactions leads to a net gain, the gain is treated as a long-term capital gain, while if the total represents a net loss, the loss is an ordinary loss.

[10] As already noted, it is possible that some partnerships may have reported intangible drilling costs as part of the "other" deductions shown in the Form 1065 income statement. To the extent this occurred, the losses shown for this industry may be somewhat overstated.

[11] U.S. Department of Commerce, Bureau of the Census, Current Industrial Reports, Annual Survey of Oil and Gas, 1982, March 1984.

Table 1. Growth in Partnership Activity by Type of Partnership for Selected Items, 1981-83
[All figures are estimates based on samples -- money amounts are in billions of dollars]

Selected items	All partnerships			Limited partnerships			General partnerships		
	1981	1982	1983	1981	1982	1983	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of partnerships............	1,460,502	1,514,212	1,541,539	208,204	225,886	233,986	1,252,298	1,288,326	1,307,553
Number of partners 1/.............	9,095,165	9,764,667	10,589,338	4,176,572	4,709,723	5,434,870	4,918,593	5,054,944	5,154,468
Total partnership assets..........	715.2	845.3	887.0	282.4	331.7	381.4	432.8	513.6	505.6
Business receipts including gross rents..........................	281.6	312.2	313.5	55.7	70.3	70.9	225.9	241.9	242.6
Partnership (Form 1065) net income or deficit............	-2.7	-7.3	-2.6	-15.7	-17.5	-18.7	13.0	10.2	16.1
Plus: dry hole costs, non-oil and gas depletion, and guaranteed payments to partners.	8.9	8.6	8.3	2.7	2.4	2.3	6.2	6.3	6.0
Less: income from other partnerships..................	5.1	6.8	5.7	3.1	3.4	3.2	2.0	2.3	2.5
Adjusted partnership net income or deficit......................	11.3	8.1	11.4	-9.9	-11.7	-13.2	21.2	19.8	24.6
Other adjustments 2/:									
Plus: foreign source income....	1.4	1.4	1.4	.1	.1	.1	1.3	1.3	1.3
Less: mineral exploration costs.	-12.7	-10.3	-8.0	-5.9	-4.6	-4.1	-6.8	-5.7	-4.0
Less: investment interest expense.......................	-4.9	-5.8	-5.1	-1.9	-2.2	-2.7	-3.0	-3.6	-2.4
Less: section 1231 net losses and specially allocated losses.	-.9	-.9	-.9	-.3	-.3	-.3	-.6	-.6	-.6
Total ordinary net income or deficit.........................	-5.8	-7.5	-1.1	-17.9	-18.7	-20.1	12.1	11.2	19.0
Plus: net long-term capital gains.........................	5.5	7.1	8.8	1.7	2.2	2.2	3.8	4.9	6.6
Plus: section 1231 net gains or specially allocated gains...	n.a.	n.a.	7.1	n.a.	n.a.	3.5	n.a.	n.a.	3.6
Contribution to partners' taxable income before investment credit adjustment 3/.............	n.a.	n.a.	5.2	n.a.	n.a.	-17.8	n.a.	n.a.	23.0
Investment credit adjustment......	1.5	2.1	1.7	.5	.7	.8	1.0	.6	.9
Contribution to partners' taxable income after investment credit adjustment 4/...........	n.a.	n.a.	-.9	n.a.	n.a.	-20.6	n.a.	n.a.	19.6
Percent of partnerships with positive ordinary net income.....	45.1	52.6	50.9	18.9	38.1	34.6	48.6	54.7	53.8

n.a.-Not available.

1/Includes partners that are corporations and partnerships, as well as individuals.

2/Represents either items reported in "other deductions" in the partnership income statement or reported only on Schedule K or K-1, Partner's Share of Income, Credits, Deductions, etc.

3/Contribution to partners' taxable income before investment credit adjustment equals ordinary net income plus 40 percent (representing the taxable portion) of the estimated total of net long-term capital gains including section 1231 net gains.

4/Contribution to partners' taxable income after investment credit adjustment equals ordinary net income plus 40 percent (representing the taxable portion) of net long-term capital gains including section 1231 net gains, less the investment credit adjustment divided by an average marginal tax rate (for individuals).

Table 2. Summary of 1983 Partnership Income and Deductions by Selected Industry
[All figures are estimates based on samples -- money amounts are in millions of dollars]

Selected industry	Ordinary gross income 1/	Interest deduction	Depreciation	Mineral exploration costs 2/	Other selected deductions 3/	Ordinary net income less deficit	Net long-term capital gains 4/	Investment credit adjustment 5/	Contribution to partners' taxable income 6/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All industries 7/	213,517.7	48,215.4	32,285.5	8,045.5	126,102.9	-1,131.6	15,942.0	1,713.8	-947.3
Agriculture, forestry and fishing	3,396.8	474.1	457.8	N/A	2,216.6	248.3	746.4	105.9	157.5
Fruits and tree nut	-84.9	42.0	35.0	N/A	106.5	-268.4	51.4	21.2	-323.7
Beef cattle, except feedlots	57.7	65.5	47.8	N/A	202.0	-257.6	171.2	13.9	-237.9
Livestock breeding	-21.4	7.7	47.1	N/A	61.2	-137.4	18.1	7.0	-154.2
Mining	12,996.2	1,394.7	2,563.2	7,887.1	10,089.9	-8,938.7	274.0	163.2	-9,435.4
Metal mining	588.0	122.4	228.8	90.3	452.2	-335.7	20.9	9.9	-362.5
Coal mining	763.1	118.2	147.5	108.8	584.0	-195.4	20.8	2.5	-196.9
Oil and gas extraction	11,404.0	1,114.1	2,127.9	7,656.8	8,889.7	-8,384.5	227.6	141.6	-8,820.2
Construction	6,688.9	553.7	480.1	N/A	3,194.9	2,460.2	178.4	12.6	2,483.4
Manufacturing	3,332.0	403.6	727.8	N/A	2,857.6	-657.0	113.9	128.2	-1,065.4
Lumber and wood products except furniture	449.5	99.4	128.5	N/A	314.9	-93.3	66.0	22.4	-145.4
Chemicals and allied products	189.6	94.6	184.9	N/A	469.7	-559.6	6.2	19.1	-626.6
Transportation, communication, electric, gas and sanitary services	5,005.7	855.9	1,292.6	N/A	2,918.8	-61.6	46.0	128.2	-474.2
Water transportation	406.7	169.3	206.6	N/A	178.9	-148.1	.2	.9	-151.8
Communications	1,114.1	234.0	339.1	N/A	984.2	-443.2	.2	40.1	-600.3
Electric, gas and water services	346.7	161.0	237.5	N/A	456.9	-508.7	4.1	39.6	-653.8
Wholesale trade	3,034.8	325.2	221.2	N/A	2,019.8	468.6	54.4	6.4	465.7
Retail trade	13,011.7	550.2	763.4	N/A	9,937.6	1,760.5	84.2	1.9	1,655.9
Finance, insurance and real estate	96,918.9	38,830.0	18,910.1	83.2	50,764.5	-11,668.9	13,833.7	653.8	- 8,460.0
Real estate	68,994.1	26,777.7	16,780.7	N/A	38,237.9	-12,802.2	6,987.7	8.9	-11,534.8
Subdividers and developers, except cemeteries	4,991.7	2,827.3	486.5	N/A	2,754.8	-1,076.9	409.9	44.3	-1,069.9
Holding and other investment companies 8/	7,081.6	3,483.0	968.6	409.9	3,179.7	-959.6	3,985.9	103.7	265.2
Services	68,824.9	4,814.0	6,848.4	N/A	41,983.2	15,179.3	609.9	488.0	13,631.5
Hotels	4,233.3	988.7	763.7	N/A	3,336.2	-855.3	108.5	67.4	-1,048.2
Motels, motor hotels and tourist courts	3,511.4	691.6	572.8	N/A	2,366.6	-119.6	53.8	20.8	-173.6
Equipment rental and leasing services	4,038.2	1,316.1	2,305.2	N/A	1,287.0	-870.1	18.8	130.9	-1,329.2
Motion pictures	1,113.5	70.8	396.0	N/A	852.4	-205.7	23.2	90.2	-527.2
Racing, including track operations	41.5	3.9	70.8	N/A	122.8	-155.2	.6	1.0	-158.4
Other amusement and recreation services	1,845.2	217.2	389.0	N/A	1,415.8	-176.8	21.1	27.5	-267.6

N/A-Not applicable.

1/After reduction by cost of sales and operations and net income from other partnerships.

2/Includes estimated depletion (including amounts claimed on oil and gas), hard-mineral exploration and development costs, and intangible drilling costs (including dry hole costs).

3/Excludes deduction for guaranteed payments to partners.

4/Includes net long-term capital gains plus section 1231 net gains reported on Schedule K or K-1.

5/Estimated based on cost of property eligible for credit.

6/This is the contribution to partners' taxable income after investment credit adjustment.

7/Includes "Wholesale and Retail Trade, not allocable", and "Nature of Business not allocable", not shown separately.

8/Income and expenses from other partnerships.

Table 3. Summary of 1983 Partnership Characteristics by Industry and Type of Partnership

Selected industry	Number of partnerships		Average number of partners		Percent formed in 1981-83		Ratio of debt to equity 1/		Nonrecourse debt as a percent of total debt		Percent with positive ordinary net income	
	Type of partnership											
	Limited	General	Limited	General	Limited	General	Limited	General	Limited	General	Limited	General
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All industries 2/	233,986	1,307,552	23.2	3.9	44.6	37.5	9.5	3.8	33.3	15.6	34.6	53.8
Agriculture, forestry and fishing	9,198	127,405	13.1	2.7	39.4	23.8	2.0	5.3	15.5	1.9	25.7	55.8
Fruits and tree nut	2,461	9,630	13.0	2.6	62.2	10.6	5.4	3.1	28.0	7.4	23.7	53.1
Beef cattle, except feedlots	408	18,444	15.4	2.4	9.8	11.1	1.4	9.9	.7	11.2	53.2	32.8
Livestock breeding	633	1,636	20.2	2.9	76.2	88.6	2.1	1.9	-	3.7	.5	10.0
Mining	23,418	36,117	67.5	26.3	52.7	64.2	1.2	.6	15.5	10.3	34.3	44.3
Metal mining	1,509	284	31.6	80.5	32.5	17.0	.5	1.0	4.3	2.0	.7	14.3
Coal mining	183	369	67.2	3.3	8.9	43.7	-1.2	.4	64.5	11.3	2.8	46.0
Oil and gas extraction	20,913	35,259	72.2	13.5	56.6	52.2	.9	.6	7.9	10.7	36.0	44.3
Construction	1,592	62,000	5.3	2.3	77.4	48.5	-36.9	3.1	26.4	3.2	49.8	72.4
Manufacturing	786	25,665	35.5	2.4	57.8	45.6	12.7	1.8	48.3	5.6	17.8	48.1
Lumber and wood products, except furniture	23	4,366	58.6	2.5	25.9	6.0	5.2	1.7	61.5	25.3	65.3	69.1
Chemicals and allied products	172	136	44.9	2.4	94.2	39.8	1.8	1.3	14.3	-	3.6	77.1
Transportation, communication electric, gas, and sanitary services	2,397	17,735	22.0	2.8	74.3	49.4	4.2	1.0	28.9	14.4	18.8	48.3
Water transportation	291	363	16.1	4.8	16.5	64.9	15.9	-206.0	30.2	42.4	8.3	28.6
Communications	449	3,081	76.4	4.3	67.3	63.5	4.4	4.6	17.5	2.8	41.4	35.2
Electric, gas and water services	67	1,318	81.9	2.1	83.3	5.6	1.3	.3	20.6	3.1	19.8	19.4
Wholesale trade	1,323	22,792	10.0	2.4	10.4	49.3	4.9	2.5	19.4	1.2	15.5	67.3
Retail trade	6,171	161,982	6.0	2.3	31.2	44.3	1.6	1.6	6.7	3.8	60.0	50.6
Finance, insurance and real estate	163,384	566,683	19.5	4.8	41.6	31.3	12.8	5.5	40.2	18.2	34.7	47.7
Real estate	109,491	382,210	20.2	3.8	44.9	32.0	57.9	11.1	54.9	24.5	30.0	44.6
Subdividers and developers, except cemeteries	11,280	31,390	12.2	4.1	39.9	42.4	11.0	6.8	28.4	15.0	33.3	39.2
Holding and other investment companies	28,762	79,993	18.6	5.4	28.8	17.8	1.5	2.6	20.4	13.7	50.1	60.4
Services	25,538	280,756	15.6	3.1	57.9	45.4	103.1	4.4	33.4	12.8	33.4	63.9
Hotels	994	2,080	20.6	4.1	45.4	46.0	-33.9	7.9	49.3	28.3	13.1	39.2
Motels, motor hotels and tourist courts	1,430	5,968	25.8	3.3	48.1	23.4	-51.7	9.2	37.0	11.0	2.6	63.7
Equipment rental and leasing services	4,693	31,642	26.1	3.4	68.2	42.8	-49.4	-26.5	18.3	25.1	51.0	52.4
Motion pictures	1,793	2,589	13.0	10.6	5.8	66.2	-5.9	2.0	34.0	2.9	32.4	44.0
Racing, including track operations	8	3,940	11.4	3.1	74.5	50.3	1.4	.5	-	4.3	25.6	12.3
Other amusement and recreation service	679	6,849	21.3	3.0	28.7	62.5	247.7	5.8	1.4	4.6	20.5	24.9

1/Because the partners' capital account (unlike their tax basis in their partnership interest) can be negative (which implies that partnership losses have exceeded amounts contributed), this ratio can be negative.

2/Includes "Wholesale and Retail Trade not allocable" and "Nature of Business not allocable", not shown separately.

Table 4. Summary Statistics for 1983 Partnerships by Year Partnership was Formed
[All figures are estimates based on samples]

Selected items	All partnerships					Limited partnerships					General partnerships				
	Year of Formation														
	1983	1981-82	1978-80	1973-77	Before 1973	1983	1981-82	1978-80	1973-77	Before 1973	1983	1981-82	1978-80	1973-77	Before 1983
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Number of partnerships	231,876	363,329	350,045	260,495	335,794	41,856	62,571	59,246	40,739	29,574	190,020	300,758	290,799	219,756	306,22
Number of partners	1,803,995	3,186,395	2,215,785	1,430,118	1,950,960	1,183,324	1,922,779	1,193,633	668,654	466,480	620,671	1,263,616	1,022,152	761,464	1,484,48
Aggregate amount (in billions of dollars):															
Ordinary gross income 1/	10.8	42.0	48.1	39.4	73.2	2.8	13.5	15.8	10.6	13.1	8.0	28.5	32.3	28.8	60.1
Deductions excluding depreciation, interest, and mineral exploration costs	12.8	27.7	25.5	20.6	39.5	5.4	10.2	8.6	5.1	6.8	7.4	17.5	16.9	15.5	32.7
Interest deduction	3.5	15.2	14.3	7.6	7.6	2.0	7.5	6.8	2.9	3.4	1.5	7.7	7.5	4.7	4.2
Depreciation	2.8	10.8	9.0	5.1	4.6	1.5	5.0	4.0	1.7	.9	1.3	5.8	5.0	3.4	3.7
Estimated mineral exploration costs	4.6	2.0	.8	.5	.5	2.3	1.3	.4	.2	.1	2.3	.7	.4	.3	.4
Ordinary net income (less loss)	-12.9	-13.7	-1.5	5.6	20.9	-8.4	-10.5	-4.0	.7	2.0	-4.5	-3.2	2.5	4.9	18.9
Net long-term capital gain	.4	1.9	3.9	3.3	6.4	.1	.9	2.1	1.2	1.5	.3	1.0	1.8	2.1	4.9
Contribution to taxable income (after investment credit adjustment)	-12.3	-15.3	-.7	6.5	23.0	-8.5	-11.3	-3.4	1.1	2.5	-3.8	-4.0	2.7	5.4	20.5
Average per partner (in dollars):															
Ordinary gross income 1/	5,98	13,181	21,708	27,550	37,520	2,366	7,021	13,237	15,853	28,083	12,889	22,554	31,600	37,822	40,486
Deductions excluding depreciation, interest, and mineral exploration costs	7,095	8,693	11,508	14,404	20,246	4,563	5,305	7,205	7,627	14,577	11,923	13,849	16,534	20,356	22,028
Interest deduction	1,940	4,770	6,454	5,314	3,896	1,690	3,901	5,697	4,337	7,289	2,417	6,094	7,337	6,172	2,829
Depreciation	1,552	3,389	4,042	3,566	2,358	1,268	2,600	3,351	2,542	1,929	2,095	4,590	4,892	4,465	2,492
Estimated mineral exploration costs	2,550	628	361	350	256	1,944	676	335	299	214	3,706	534	391	394	269
Ordinary net income (less loss)	-7,151	-4,300	-677	3,916	10,713	-7,099	-5,461	-3,351	1,047	4,287	-7,250	-2,532	2,446	6,435	12,732
Net long-term capital gain	222	596	1,760	2,308	3,280	85	460	1,759	1,795	3,216	483	791	1,761	2,758	3,301
Contribution to taxable income (after investment credit adjustment)	-6,818	-4,802	-316	4,545	11,789	-7,183	-5,877	-2,848	1,645	5,359	-6,122	-3,166	2,641	7,092	13,810
Debt to equity ratio	3.88	5.21	7.91	14.48	2.95	3.55	5.41	22.35	-12.12	-60.77	4.43	5.06	4.90	6.02	1.71
Nonrecourse debt to equity ratio	1.08	1.15	2.26	4.59	.68	1.30	1.83	8.93	-6.33	-20.78	.72	.61	.87	1.11	.27
Percent nonrecourse debt	27.84	22.07	28.57	31.70	23.05	36.62	33.83	39.96	52.23	34.19	16.25	12.06	17.76	18.44	15.79

1/Reduced by cost of sales and operations and net income from other partnerships.

Environmental Taxes, 1981-84

By Rashida Belal*

Through the calendar year ended December 1984, $978 million in tax liability was reported by companies for environmental excise taxes. Of this amount $642 million was for petrochemicals; $172.2 million for inorganic chemicals, $150.3 million for petroleum and petroleum products, and $10.7 million for hazardous wastes.

In 1980, Congress created a major Federal program to clean the worst abandoned hazardous waste sites. The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) provided for a 5-year clean-up program. Funds were to be accumulated through the Hazardous Substance Response Trust Fund portion of CERCLA, more commonly referred to as Superfund [1]. The tax rates of the "front-end tax" were formulated so that they produce $1.6 billion over 5 years and the tax liability incurred for petroleum and chemicals would reflect the respective percentage in which they were found in hazardous waste sites (based on data available in 1980) [2].

REQUIREMENTS FOR REPORTING TAXES

Requirements for filing and reporting a tax on petroleum apply to the following:

1. Operators of U.S refineries receiving crude oil;
2. Importers of petroleum products for consumption, use, or warehousing; and
3. Users or exporters of crude oil on which the environmental tax has been paid.

The requirements for filing and reporting the tax on chemicals apply to any importer, manufacturer, or producer that sells or uses any of the 42 taxable chemicals listed in Table 1. Since the tax is imposed only once on a product, once it has been paid it cannot be imposed again on another business that would otherwise be liable. There are some exceptions to what is taxed, with the following being nontaxable:

1. Ammonia, if used directly as a fertilizer;
2. Methane or butane used as a fuel (however, the business using the chemical for a taxable purpose is liable);
3. Nitric acid, sulfuric acid, ammonia, or methane used in the production of ammonia for fertilizer;
4. Sulfuric acid produced solely as a by-product of, and on the same site as, air pollution control equipment; and
5. Any substance derived from coal.

CERCLA, which contains the provisions for reporting liability against hazardous waste, also established the Post-closure Liability Trust Fund which includes the Hazardous Waste Tax. The Hazardous Waste Tax, "a waste-end tax," is imposed on the receipt of hazardous waste at a "qualified" hazardous waste disposal facility. The tax applies to any hazardous waste that will remain after the facility is closed. The tax took effect October 1, 1983 and will be in effect until the unobligated balance of the Post-closure Liability Trust Fund exceeds $200 million.

As shown in Figure A, the largest share of taxes has been from petrochemicals. Tax liability reported for petrochemicals accounted for 66 percent of the total reported through December 1984. Inorganic chemicals represented 17 percent of the tax liability and petroleum and petroleum products accounted for 16 percent of tax liability.

It is interesting that, while the tax on petrochemicals accounted for 66 percent of total tax, it continued to be reported by the fewest number of businesses. As a result, these businesses had the highest average tax liability, more than $2.5 million per company for petrochemicals. Inorganic chemicals, reported by 41 percent of the companies, ac-

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*Foreign Special Projects Section. Prepared under the direction of Mike Alexander, Chief.

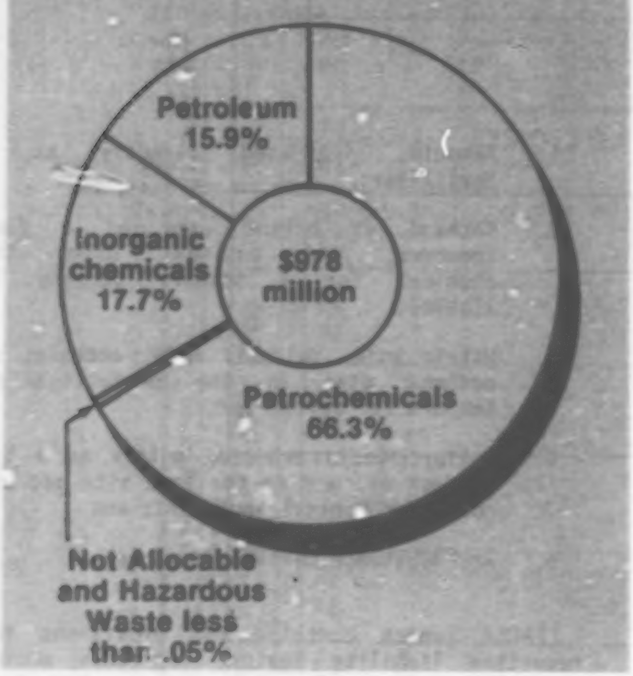

Figure A
Sources of Environmental Taxes, Quarters Ending June 30, 1981, through December 31, 1984

counted for an average tax of $400,000 per company. In comparison, while petroleum and petroleum products were reported by 42 percent of the companies, the average tax was $347,000 per company.

Number of Businesses and Amount of Environmental Taxes for Quarters Ending June 30, 1981 through December 31, 1984
[Money amounts are in thousands of dollars]

Type of tax	Number of businesses	Total tax	Average tax
	(1)	(2)	(3)
Total Environmental Tax	1,015	978,108[1]	964
"Superfund"			
Petroleum	433	150,335	347
Petrochemicals	252	641,842	2,547
Inorganics	430	172,197	400
Post-closure Liability Trust Fund.	122	10,703	88

[1] Includes taxes not allocable to a specific category. For this reason and also because of rounding, detail will not add to total.

The number of companies reporting liability for hazardous wastes under the Post-closure Liability Trust Fund increased by 62 percent over 1983, from the 74 companies reported as of December 1983 to 122 companies as of December 1984. The average tax for that same period rose from $23,000 to more than $87,700.

Since the quarter ended June 1981, 1,015 companies reported liability for environmental taxes at least once and the average reported liability was $963,000 per company. This picture warrants a closer inspection, however. The 40 companies reporting $5 million or more in tax liability accounted for 78 percent of the tax. The 23 companies reporting $10.5 million or more in tax liability averaged $18.5 million in tax and were responsible for 65 percent of the total. But the lion's share of the tax was in fact reported by fewer than 1 percent of the reporting companies. The companies reporting $20 million or more in tax liability accounted for more than 50 percent of the tax. These twelve top companies averaged more than $40 million in environmental taxes.

The quarter ended June 1983 showed an increase for petroleum, petrochemicals and inorganic chemicals for the first time since the quarter ended June 1982. Total tax liability for the quarter ended December 1983 was $68.6

"Superfund" Taxes by Category for Quarters Ending June 30, 1981, through December 31, 1984

[Millions of dollars]

Quarter ending	Total	Petrochemicals	Inorganic chemicals	Petroleum
Total[1]	(1)	(2)	(3)	(4)
June 1981	68.7	45.8	12.8	10.0
Sept. 1981	61.0	40.0	11.6	9.3
Dec. 1981	68.2	43.9	11.3	11.7
Mar. 1982	59.2	39.4	10.5	9.0
June 1982	60.7	40.1	10.8	9.8
Sept. 1982	55.4	35.7	8.9	9.4
Dec. 1982	56.8	37.2	10.1	9.4
Mar. 1983	59.7	40.0	11.3	8.8
June 1983	69.9	45.4	9.6	10.0
Sept. 1983	64.8	42.6	10.9	11.3
Dec. 1983	68.6	45.3	11.4	9.9
Mar. 1984	77.0	52.0	12.6	11.0
June 1984	75.6	49.2	12.8	10.5
Sept. 1984	66.0	42.9	10.8	9.5
Dec. 1984	69.3	42.2	14.6	10.4

[1] Includes taxes not allocable to a specific category. For this reason and also because of rounding, detail will not add to total.

million, up by almost $4 million over the September 1983 figure. March 1984 figures showed an increase of $17.3 million over March 1983 and almost $8.5 million in tax liability over the quarter ended December 1983. Tax liability dipped slightly for the quarter ended June 1984 to $75.6 million, a decrease of about $1.4 million from the previous quarter. This was especially noteworthy since the second quarter has traditionally shown a rise because of the increase in chemical shipments to the agricultural and construction markets. The slide continued into the quarter ended September 1984, when tax liability dropped to $66.0 million. The liability reported for the quarter ended December 1984 climbed back up to $69.3 million; however, that amount was still more than $7.7 million off the mark set in March 1984 [3] [4] [5].

PETROCHEMICALS

Two hundred and fifty-two companies, only 25 percent, reported tax for petrochemicals and those companies averaged $2.5 million in petrochemical tax. The 47 companies that reported more than $257 million in tax liability for ethylene averaged $5.5 million. The next largest amount of liability, $116 million, was reported for propylene. A total of 58 companies averaged $2.0 million in liability for propylene. Naphthalene was reported by only 9 companies and the average tax reported was about $135,000. Toluene, reported by the largest number of companies, 104, averaged $412,000.

INORGANIC CHEMICALS

Tax on inorganic chemicals was reported by 430 companies or 42 percent of the companies reporting environmental taxes. Those companies reported an average of $400,000 in tax for inorganic chemicals. Sulfuric acid was the single most reported chemical, reported by 26 percent of the companies. The average tax on sulfuric acid was $82,000.

SUMMARY

Through the calendar year ended December 1984, $978 million in liability was reported for environmental excise taxes. The largest share of taxes reported was from petrochemicals. This was by design, since rates were formulated so that liability per class of substance would reflect the percentage in which these substances were found in hazardous waste sites.

The Superfund portion of CERCLA expired September 30, 1985. The tax liability reported for hazardous waste reached $11.5 million dollars in Calendar Year 1984. This portion of CERCLA will remain in effect until the unobligated balance of the Post-closure Liability Trust Fund exceeds $200 million or until it is repealed.

Since the quarter ended June 1981, 1,015 companies reported liability for environmental taxes at least once and the average reported liability was $938,000 per company. However, the lion's share of the liability is, in fact, reported by fewer than 1 percent of the reporting companies. These top 12 companies accounted for more than 50 percent of the tax, an average of $40 million in environmental tax per company.

DATA SOURCES AND LIMITATIONS

The Quarterly Excise Tax Return, Form 720, is the form on which environmental taxes are reported. Form 6627, Environmental Taxes, is the supporting schedule on which the tax liability for petroleum, chemicals and hazardous waste is computed. The tax as imposed by Congress is levied at different rates ranging from $.0079 per barrel of crude oil or petroleum to as much as $4.87 per ton of certain chemicals. The average tax levied is $3.24 per medium.

Returns are due to be filed one month after the end of the quarter in which the business is liable for environmental taxes. These returns are the source of data for this study. Data in this article reflect information reported on returns filed for the tax quarters ending June 30, 1981, through December 31, 1984.

Any adjustments, credits, or refunds to environmental taxes on either the Form 720 or Form 843, Claim, are not reflected in the data. A taxpayer can take an adjustment or credit if a taxed chemical is later used to manufacture or produce any other substance subject to the tax. If a tax is paid on a chemical subsequently used to produce fertilizer, a credit or adjustment can also be claimed.

The Internal Revenue Service also releases environmental tax statistics in a report on excise taxes issued quarterly [6]. These figures, taken from the Form 720, show the total liability, after adjustment, on returns recorded on the computerized Business Master File as part of routine tax administration processing. There is, however, no distribution of tax by type of chemical. Returns are due one month after the end of the calendar quarter and are reflected in the statistics for the quarter in which they are filed (and processed). Also included are returns filed late because of routine filing extensions and other reasons. Therefore, that report covers whatever tax was recorded during a quarter, regardless of when it was incurred. Consequently, the two series of data are not directly comparable.

Since no statistical sampling was involved, the data are not subject to sampling error, but may be subject to nonsampling error. Although efforts were made to secure missing returns, some returns from previous quarters were substituted because of time and resource constraints. In addition, the returns were passed through a series of validity checks to verify the accuracy and completeness of the returns. For those returns supplying a total chemical tax with no distribution by category, the amount was included in the statistics under "unallocable chemicals."

NOTES AND REFERENCES

[1] See also Barnhardt, Janet, "Superfund for Environmental Taxes," Statistics of Income Bulletin, Fall 1982, pp. 31-34.

[2] United States Senate, Report of the Committee on Finance on S.51, Report 99-73, U.S. Government Printing Office, May 23, 1985.

[3] "Chemicals' Third Quarter: A Majority of Minor Gains," Chemical Week, November 21, 1984.

[4] See also Belal, Rashida, "Environmental Taxes: Superfund and Hazardous Waste, 1981-83," Statistics of Income Bulletin, Spring 1985, pp 6[illegible]-67.

[5] See also Belal, Rashida, "Superfund for Environmental Taxes, 1981 and 1982," Statistics of Income Bulletin, Fall 1983, pp. 31-34.

[6] U.S. Department of the Treasury, Internal Revenue Service, Internal Revenue Report of Excise Taxes.

able 1.--Environmental Taxes Reported by Type of Substance, Quarters Ended June 1981- December 1984

oney amounts are in thousands of dollars]

Type of substance	Total	Quarter ended				
		June 1981	Sept. 1981	Dec. 1981	Mar. 1982	June 1982
	(1)	(2)	(3)	(4)	(5)	(6)
etroleum	150,334,988	10,099	9,324	11,710	9,017	9,796
etrochemicals, total	641,842,137	45,760	40,010	43,859	39,362	40,105
Acetylene	2,335,703	206	235	188	120	135
Benzene	81,756,936	5,322	4,225	5,265	4,558	4,543
Butane	11,950,056	1,248	1,088	1,050	1,020	1,218
Butylene	15,585,817	1,333	1,247	1,442	971	1,212
Butadiene	25,799,937	1,832	1,483	2,015	1,454	1,685
Ethylene	257,128,094	17,024	15,215	15,969	15,293	15,881
Methane	28,238,152	2,479	2,264	2,309	2,031	2,004
Naphthalene	1,216,646	139	65	93	99	53
Propylene	115,912,467	9,510	7,950	7,661	7,994	6,889
Toluene	42,805,708	2,564	2,354	2,711	1,973	2,143
Xylene	59,112,632	4,103	3,883	5,157	3,849	4,343
norganic chemicals, total	172,187,332	12,811	11,643	11,323	10,589	10,779
Ammonia	31,943.952	2,295	2,138	2,191	2,118	2,059
Antimony	44,543	4	2	2	2	2
Antimony trioxide	291,136	13	17	24	20	17
Arsenic	13,956	1	1/	1	1	1
Arsenic trioxide	224,192	21	23	23	22	19
Barium sulfide	976,959	*	*	3	1/	*
Bromine	3,037,805	205	156	206	149	143
Cadmium	286,229	3	2	3	3	2
Chlorine	91,357,655	7,079	6,186	5,777	5,540	5,682
Chromium	274,826	76	36	25	27	10
Chromite	2,315,772	114	182	247	80	81
Potassium dichromate	1,086	*	*	*	1/	1/
Sodium dichromate	64,454	*	17	*	2	1
Cobalt	103,260	3	4	11	8	6
Cupric sulphate	220,649	10	17	11	11	11
Cupric oxide	95,450	4	3	4	7	4
Cuprous oxide	112,552	3	4	4	4	4
Hydrochloric acid	2,087,390	90	116	211	148	140
Hydrogen flouride	4,295,230	326	337	238	259	274
Lead oxide	5,446,892	366	327	393	330	324
Mercury	30,965	2	2	2	2	6
Nickel	1,990,336	121	157	156	164	124
Phosphorus	6,054,718	494	423	420	409	407
Stannous chloride	16,151	*	*	2	1	1
Stannic chloride	62,818	1	1/	11	4	5
Zinc chloride	195,570	15	13	15	12	15
Zinc sulfate	205,189	18	13	15	16	16
Potassium hydroxide	268,092	15	13	16	12	14
Sodium hydroxide	9,724,076	713	657	646	602	599
Sulfuric acid	9,144,579	703	700	593	567	745
Nitric acid	1,293,063	101	93	74	68	67
Unallocable chemicals	3,040,274	67	28	1,318	221	10
Hazardous waste	10,703,428	2/	2/	2/	2/	2/

Table 1.--Environmental Taxes Reported by Type of Substance, Quarters Ended June 1981- December 1984 - Continued

[Money amounts are in thousands of dollars]

Type of substance	Quarter ended - Continued					
	Sept. 1982	Dec. 1982	Mar. 1983	June 1983	Sept. 1983	Dec. 1983
	(7)	(8)	(9)	(10)	(11)	(12)
Petroleum	9,444	9,354	8,840	9,989	11,344	9,885
Petrochemicals, total	35,916	37,151	40,042	45,410	42,615	45,300
Acetylene	112	1/	*	*	132	*
Benzene	5,097	4,283	4,870	5,730	5,168	6,681
Butane	831	728	721	557	704	434
Butylene	733	949	925	1,103	683	809
Butadiene	1,413	1,337	1,742	1,745	1,658	1,833
Ethylene	15,303	16,680	16,769	18,112	18,011	17,497
Methane	1,621	1,654	1,633	1,647	1,710	1,760
Naphthalene	88	1/	*	*	68	*
Propylene	6,139	5,587	7,045	7,768	7,455	7,878
Toluene	2,003	2,139	2,675	4,757	3,156	3,755
Xylene	2,577	3,612	3,470	3,787	3,870	4,403
Inorganic chemicals, total	9,485	10,165	10,630	11,269	10,890	11,408
Ammonia	1,924	1,663	1,901	2,027	2,070	1,953
Antimony	2	1	4	3	3	3
Antimony trioxide	13	13	17	18	17	22
Arsenic	1	1/	1/	1/	4	3
Arsenic trioxide	16	12	10	15	5	8
Barium sulfide	*	*	*	2	1	1
Bromine	179	388	189	198	186	200
Cadmium	2	2	4	3	2	1
Chlorine	4,900	5,587	5,735	6,130	6,071	6,234
Chromium	8	7	11	13	10	10
Chromite	90	118	108	77	59	96
Potassium dichromate	1/	1/	1/	1/	1/	1/
Sodium dichromate	*	1	2	2	12	3
Cobalt	3	5	9	8	7	4
Cupric sulphate	25	10	20	22	17	11
Cupric oxide	6	4	7	7	7	7
Cuprous oxide	3	*	4	5	4	4
Hydrochloric acid	117	129	152	174	132	142
Hydrogen flouride	220	204	255	280	261	270
Lead oxide	319	330	288	317	345	413
Mercury	4	1/	1/	*	2	2
Nickel	62	96	152	156	74	161
Phosphorus	384	380	404	428	335	414
Stannous chloride	1	*	2	1	1/	1
Stannic chloride	4	3	5	5	1	6
Zinc chloride	10	11	16	14	10	12
Zinc sulfate	10	3	20	17	10	10
Potassium hydroxide	10	12	68	12	13	15
Sodium hydroxide	520	522	580	624	648	661
Sulfuric acid	565	584	580	619	504	637
Nitric acid	86	76	87	91	79	103
Unallocable chemicals	600	154	204	235	1/	194
Hazardous waste	2/	2/	2/	2/	2/	1,776

able 1.--Environmental Taxes Reported by Type of Substance, Quarters Ended June 1981 - December 1984
Continued

oney amounts are in thousands of dollars]

Type of substance	Quarter ended - Continued Mar. 1984			
	Mar. 1984	June 1984	Sept. 1984	Dec. 1984
	(13)	(14)	(15)	(16)
etroleum	11,007	10,503	9,610	10,353
etrochemicals, total	51,959	49,194	42,921	42,238
Acetylene	*	172	155	207
Benzene	7,486	7,273	6,040	5,216
Butane	533	798	470	550
Butylene	791	1,079	1,108	1,201
Butadiene	1,962	1,978	1,905	1,757
Ethylene	21,081	19,602	16,915	17,776
Methane	1,699	1,885	1,829	1,715
Naphthalene	*	108	61	66
Propylene	10,028	8,574	8,027	7,407
Toluene	4,033	3,258	2,929	2,356
Xylene	4,125	4,466	3,482	3,986
Inorganic chemicals, total	12,582	12,803	11,184	14,625
Ammonia	2,119	2,545	2,145	2,796
Antimony	6	4	3	4
Antimony trioxide	27	31	22	19
Arsenic	1	1	1/	1/
Arsenic trioxide	12	15	12	11
Barium sulfide	222	2	1	733
Bromine	201	214	206	218
Cadmium	10	14	2	235
Chlorine	6,959	6,095	5,918	7,464
Chromium	10	12	10	9
Chromite	72	791	75	125
Potassium dichromate	1	1/	1/	*
Sodium dichromate	2	3	2	1
Cobalt	11	12	8	4
Cupric sulphate	18	19	14	12
Cupric oxide	10	9	10	6
Cuprous oxide	5	4	3	*
Hydrochloric acid	173	148	144	130
Hydrogen flouride	346	394	338	294
Lead oxide	451	389	395	463
Mercury	4	1	2	2
Nickel	140	157	120	150
Phosphorus	307	430	391	426
Stannous chloride	2	1	1	1
Stannic chloride	4	6	5	4
Zinc chloride	15	15	12	11
Zinc sulfate	19	14	12	12
Potassium hydroxide	15	18	13	20
Sodium hydroxide	736	710	670	837
Sulfuric acid	579	656	570	543
Nitric acid	105	92	81	92
Unallocable chemicals	1	8	1/	1/
Hazardous waste	1,466	3,087	2,292	2,080

*This figure is not shown to avoid disclosure of information for specific businesses. However, the data are included in the appropriate totals.

1/Less than $1,000, however, the data are included in the appropriate totals.

2/Tax not in effect until October 1, 1983.

NOTE: Detail may not add to total because of rounding.

Table 2.--Environmental Taxes Reported by Type of Substance, Aggregate for the Quarters Ended June 1981 - December 1984

Type of substance	Number of businesses	Number of tons (000's)	Tax rate per ton (dollars)	Average tax per business (dollars)
	(1)	(2)	(3)	(4)
Petroleum	429	19,029,745 [1]	.0079 [2]	347,193.96
Petrochemicals, total	252 [3]	N/A	N/A	2,546,992.00
Acetylene	53	469	4.87	44,069.00
Benzene	65	479	4.87	1,257,799.02
Butane	37	16,787	4.87	322,974.51
Butylene	25	3,164	4.87	623,432.70
Butadiene	35	5,298	4.87	737,141.00
Ethylene	47	52,798	4.87	5,470,810.50
Methane	33	8,209	3.44	855,701.50
Naphthalene	9	250	4.87	135,182.90
Propylene	58	23,801	4.87	1,998,490.80
Toluene	104	8,790	4.87	411,593.30
Xylene	83	12,138	4.87	712,079.90
Inorganics chemicals, total	430	N/A	N/A	400,435.60
Ammonia	103	12,104	2.64	310,135.40
Antimony	22	10	4.45	2,024.60
Antimony trioxide	29	78	3.75	10,039.10
Arsenic	16	1	4.45	872.26
Arsenic trioxide	21	66	3.41	10,675.80
Barium sulfide	6	425	2.30	162,826.57
Bromine	11	683	4.45	276,164.10
Cadmium	31	64	4.45	9,233.20
Chlorine	55	32,837	2.70	1,661,048.28
Chromium	21	62	4.45	13,086.81
Chromite	20	1,524	1.52	115,788.64
Potassium dichromate	7	1	1.69	155.24
Sodium dichromate	14	34	1.87	4,603.80
Cobalt	28	23	4.45	3,687.80
Cupric sulfate	36	122	1.87	6,179.70
Cupric oxide	22	27	3.59	4,338.64
Cuprous oxide	7	28	3.97	16,078.90
Hydrochloric acid	94	7,198	.29	22,206.00
Hydrogen flouride	22	1,015	4.23	195,237.70
Lead oxide	41	1,315	4.14	132,851.00
Mercury	13	7	4.45	2,382.00
Nickel	31	447	4.45	62,198.00
Phosphorus	14	1,361	4.45	432,480.00
Stannous chloride	8	6	2.85	2,018.97
Stannic chloride	9	30	2.12	6,979.79
Zinc chloride	22	88	2.22	8,889.60
Zinc sulfate	27	108	1.90	7,600.00
Potassium hydroxide	28	1,218	.22	9,574.00
Sodium hydroxide	83	34,728	.28	117,157.00
Sulfuric acid	111	35,171	.26	82,383.00
Nitric acid	41	5,388	.24	31,538.00
Unallocable chemicals	126	N/A	N/A	24,129.16
Hazardous waste	120	5,025	2.13	87,733.00

N/A - Not applicable.

[1] Number of barrels.

[2] Rate per barrel.

[3] Detail in column one may not add to any meaningful total because businesses may report more than one of the indicated substances.

NOTE: Detail may not add to total because of rounding.

Preliminary Individual Income Statistics, 1984

By Marshall S. Epstein and David Barker *

Adjusted gross income reported by individual income tax filers exceeded $2 trillion for the first time for Tax Year 1984. This 11.1 percent increase in income led to an 11.0 percent increase in taxable income and a 10.9 percent increase in total income tax. This was the first increase in total income tax since implementation of the Economic Recovery Tax Act of 1981.

This and other information that was unavailable in time for inclusion in the Winter 1985-86 issue of the SOI Bulletin is presented in Table 1 by size of adjusted gross income. Among the new statistics for 1984 are itemized deductions by type. They show that the 15 percent increase in total itemized deductions reflected similar increases in the two predominant deductions, for interest and taxes paid. To assist the user of the data, the definitions and tax law changes and the descriptions of the data sources and limitations from the Winter issue are repeated below.

DEFINITIONS AND TAX LAW CHANGES

In general, the definitions of the terms used here are the same as those shown in the complete report, Individual Income Tax Returns 1983.

Following is a partial list of 1984 tax law and administrative changes that are reflected in the preliminary data in this article. Changes are listed in the same order as the topics are presented in this article.

o Beginning with Tax Year 1984, a percentage of social security benefits (or tier 1 railroad retirement benefits) became taxable. The amount of benefits that had to be included in income was the lesser of half the benefits received for the year or half the excess of the taxpayer's modified AGI over a specified base amount. Modified adjusted gross income was the taxpayer's AGI plus the following:

1) any tax-exempt interest,
2) the two-earner married couple deduction,
3) the foreign earned income exclusion and the foreign housing deduction and
4) the exclusion for income from U.S. possessions and Puerto Rico.

The base amount that applied was $25,000 for single persons, $32,000 for married couples filing jointly, $25,000 for married persons filing separately and not living with their spouse, and zero for married persons filing separately and living together.

o Beginning with Tax Year 1984 contributions to IRA's could no longer be made after the due date for filing a return. Previously taxpayers could make contributions to their IRA until the due date for filing their return including any extensions.

o The limit for excluding "reasonable" amounts of employer-provided foreign housing increased by $263 to $6,878 for 1984.

o For Tax Year 1983, taxpayers could only deduct expenditures for prescription and over-the-counter products, including vitamins and minerals recommended by a doctor, greater than 1 percent of their AGI. The 1 percent floor was removed for Tax Year 1984. Offsetting this, starting with 1984 only prescription medicines and drugs and insulin were deductible.

o Before Tax Year 1984, all casualty and theft losses exceeding $100 were combined and only the portion of these losses in excess of 10 percent of AGI was deductible. For Tax Year 1984, casualty and theft gains were netted. The 10 percent casualty loss limitation still applied. However, net casualty and theft gains were treated as capital gains.

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*Individual Returns Analysis Section. Prepared under the direction of Susan Hostetter, Chief

- Beginning with Tax Year 1984, taxpayers not itemizing their deductions could deduct up to $75 ($37.50 for married couples filing separately) for charitable contributions. For Tax Years 1982 and 1983, non-itemizing taxpayers could only deduct up to $25 ($12.50 for a married couple not filing a joint return).

- Features from the disability income exclusion and the credit for the elderly were combined into a new credit--the credit for the elderly and permanently and totally disabled. The following individuals qualified for the credit:

  1) taxpayers who were 65 or older, and

  2) taxpayers under 65 receiving taxable disability benefits who were retired on permanent and total disability and who had not reached the age for mandatory retirement. Prior law allowed taxpayers under 65 to claim the credit for the elderly if they received income from a public retirement system. For 1984, these individuals could only take the credit if they met the permanent and total disability requirement.

- Beginning with 1984, the investment credit, jobs credit, alcohol fuels credit, and employee stock ownership credit were combined into the general business credit. Separate limits based on tax liability and individual carryback and carryover provisions no longer applied to each credit. Instead, a single tax limit and carryback and carryover rule applied to the combined business credit.

- The 1984 Tax Table and Tax rate schedules reflected the final annual 10 percent tax cut mandated by the Economic Recovery Tax Act of 1981.

- "Income averaging" changed for Tax Year 1984. The base period was reduced from 4 years to 3. The base period encompasses the years closest to the current tax year. In order to "income average," taxpayers' current-year income had to exceed 140 percent of their average taxable income for the 3-year base period. Previously, taxpayers current income only had to exceed 120 percent of their average base period income.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of individual income tax returns, Forms 1040, 1040A and 1040EZ, filed for Tax Year 1984. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Professions; Schedule F, Profit (or Loss) from Farms; the larger of total income or total loss, and the size of business plus farm receipts. For Tax Year 1984, returns were selected at rates ranging from 0.02 percent to 100 percent. There were 79,797 returns in the 1984 preliminary sample, estimating a total population of 99,604,975. The corresponding sample size and population for the preliminary 1983 data were 104,970 and 96,293,634, respectively. Sample size and population for the final 1983 data, referenced in this article, were 122,997 and 96,563,687, respectively.

Because the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To use properly the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CV's) are used to measure that magnitude.

The following table presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For a number other than those shown, the corresponding CV's can be estimated by interpolation. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of sample estimates based on samples, are discussed in the Appendix.

Number of Returns	Approximate Coefficient of Variation
40,438,600	.01
10,109,700	.02
1,617,500	.05
404,400	.10
101,100	.20
44,900	.30
33,000	.35
16,200	.50

These preliminary estimates are subject to several types of nonsampling reporting error. While the estimates are intended to represent the full year's taxpayer reporting, they are actually based on returns filed January through late September 1985. Returns filed after that (which were sampled for use in the revised estimates for the year) tend to have slightly different characteristics than those filed earlier. These characteristics include higher income, a larger proportion of investment income (such as capital gains), a higher average tax liability, and a larger proportion of certain other items such as the alternative minimum tax.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Domestic and foreign dividends received			
			Number of returns	Amount	Number of returns	Amount	Total		Dividends in adjusted gross income	
							Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	99,694,778	2,157,736,166	86,346,235	1,818,588,322	62,198,616	173,885,732	18,564,115	51,380,661	14,154,969	49,396,478
No adjusted gross income	850,708	−27,447,980	433,548	6,280,361	609,227	2,752,983	194,635	510,362	142,717	460,611
$1 under $1,000	2,328,286	1,338,146	1,077,588	1,815,098	710,843	418,501	107,071	51,041	86,861	43,781
$1,000 under $2,000	3,476,680	5,234,870	2,883,064	4,832,224	1,148,180	780,880	186,167	97,244	146,298	86,429
$2,000 under $3,000	3,411,751	8,516,722	2,843,679	7,857,763	1,337,511	1,076,867	221,022	173,096	185,373	158,222
$3,000 under $4,000	3,418,362	11,946,410	2,883,781	9,847,586	1,436,768	1,278,461	233,758	137,727	186,031	120,804
$4,000 under $5,000	3,614,084	16,203,384	2,873,212	12,744,763	1,530,361	1,849,421	258,798	259,083	202,754	219,744
$5,000 under $6,000	3,234,237	17,824,828	2,549,515	13,816,117	1,469,098	2,341,280	345,191	330,483	276,408	306,806
$6,000 under $7,000	3,331,537	21,696,717	2,709,336	17,328,006	1,514,763	2,553,563	347,216	318,013	251,987	287,090
$7,000 under $8,000	3,359,607	25,258,934	2,757,598	20,461,964	1,540,964	3,041,319	352,536	376,768	283,186	346,121
$8,000 under $9,000	3,452,544	29,300,603	2,739,081	22,581,546	1,709,351	3,508,607	337,387	[illegible]	253,801	319,777
$9,000 under $10,000	3,079,844	29,250,534	2,525,182	23,370,150	1,846,398	3,298,805	323,720	422,137	235,098	398,130
$10,000 under $11,000	2,961,777	31,242,714	2,427,188	24,301,881	1,588,006	3,867,161	313,441	469,579	228,347	439,338
$11,000 under $12,000	2,892,780	34,402,737	2,433,824	26,932,923	1,619,508	4,179,297	372,075	448,286	271,417	415,222
$12,000 under $13,000	2,909,033	36,334,043	2,477,480	29,850,516	1,608,768	3,579,979	452,114	587,083	334,781	524,184
$13,000 under $14,000	2,760,080	37,138,988	2,338,288	30,380,666	1,476,807	3,304,436	392,218	584,441	299,963	532,379
$14,000 under $15,000	2,447,374	35,445,841	2,090,807	29,040,997	1,331,963	2,814,467	298,557	532,906	214,789	504,275
$15,000 under $16,000	2,464,883	38,169,740	2,168,106	31,987,716	1,518,380	3,436,415	405,802	671,146	318,906	632,271
$16,000 under $17,000	2,436,036	40,163,088	2,089,629	32,905,882	1,440,388	3,881,467	363,468	482,044	313,084	461,288
$17,000 under $18,000	2,398,734	41,985,903	2,102,370	35,128,567	1,584,916	3,985,208	398,508	533,974	276,814	498,220
$18,000 under $19,000	2,185,322	40,450,887	1,917,148	34,170,805	1,384,237	3,854,673	381,060	553,398	266,587	515,483
$19,000 under $20,000	2,038,587	39,753,927	1,756,988	33,376,831	1,349,105	3,297,298	388,182	580,931	311,814	566,179
$20,000 under $25,000	8,851,872	198,862,968	7,968,872	170,695,879	6,058,460	15,117,460	1,859,398	2,832,514	1,247,187	2,688,830
$25,000 under $30,000	7,634,031	209,242,506	7,099,321	187,512,248	5,735,798	11,888,671	1,459,374	1,832,598	1,016,174	1,701,839
$30,000 under $40,000	11,105,077	385,234,523	10,457,987	351,941,216	9,200,770	20,982,216	2,792,906	4,423,184	2,038,388	4,147,139
$40,000 under $50,000	5,995,701	268,380,033	5,544,354	238,156,080	5,428,608	15,852,046	2,150,253	4,164,778	1,845,408	3,823,164
$50,000 under $75,000	4,880,381	276,860,736	4,295,310	235,584,518	4,415,508	21,191,703	2,338,868	7,221,273	1,821,868	6,920,308
$75,000 under $100,000	1,040,088	88,469,300	883,554	65,853,775	1,004,194	8,409,568	898,583	4,258,344	801,524	4,158,318
$100,000 under $200,000	770,802	101,287,568	647,568	69,787,823	751,105	10,041,940	680,412	8,887,104	632,568	8,499,437
$200,000 under $500,000	203,887	57,814,615	182,847	32,480,838	200,517	5,894,398	172,845	5,080,443	163,522	5,052,666
$500,000 under $1,000,000	31,906	21,516,047	28,028	9,205,040	31,584	2,180,108	28,308	2,176,754	27,233	2,172,008
$1,000,000 or more	16,662	38,114,548	13,487	8,478,490	16,543	3,448,528	15,207	4,305,907	14,846	4,300,413
Taxable returns, total	81,880,392	2,110,502,287	71,955,071	1,752,327,117	55,310,088	161,898,398	17,142,210	49,897,287	13,081,568	47,717,487
Nontaxable returns, total	17,754,383	47,236,813	14,391,164	66,261,286	6,889,530	11,987,336	1,421,903	1,482,473	1,073,401	1,678,991

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession net profit less loss		Pensions and annuities in adjusted gross income		Farm net profit less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	17,768,834	7,015,666	347,236	2,585,966	11,228,288	69,916,562	11,572,923	80,003,021	2,691,066	−12,660,966
No adjusted gross income	80,947	87,356	467	1,766	413,714	−4,783,083	45,968	224,178	342,118	−8,052,079
$1 under $1,000	*4,848	*508	—	—	162,862	−67,703	29,576	27,562	45,546	−186,815
$1,000 under $2,000	18,178	5,600	—	—	179,468	−39,638	62,544	93,528	33,441	−31,492
$2,000 under $3,000	41,265	8,837	*1,831	*11,032	176,963	113,893	114,327	276,284	37,038	−265,902
$3,000 under $4,000	36,875	20,898	*18,010	*72,060	282,053	463,353	145,468	305,705	58,256	−39,556
$4,000 under $5,000	43,548	18,213	*4,045	*4,854	296,143	567,010	252,565	660,288	45,714	38,019
$5,000 under $6,000	87,068	25,030	*10,711	*41,140	279,028	607,801	294,772	820,615	72,148	−253,520
$6,000 under $7,000	129,076	33,888	*8,088	*22,814	264,076	737,037	401,828	1,426,444	81,490	30,080
$7,000 under $8,000	93,876	27,008	*16,871	*45,807	288,381	612,290	431,716	1,409,202	67,310	−64,257
$8,000 under $9,000	104,143	32,467	*11,750	*47,318	258,191	833,873	500,888	2,330,467	93,583	−49,483
$9,000 under $10,000	116,469	28,411	*4,045	*16,069	253,756	887,101	462,308	2,196,478	56,162	−86,567
$10,000 under $11,000	140,816	43,676	*18,008	*72,836	244,443	1,213,767	454,130	2,063,353	35,372	−5,906
$11,000 under $12,000	223,754	50,148	*32,398	*117,283	279,198	1,202,312	485,125	2,308,018	58,388	−1,259
$12,000 under $13,000	178,505	38,658	*4,045	*9,485	255,170	748,018	401,573	2,113,737	77,183	67,846
$13,000 under $14,000	189,741	43,131	*13,985	*70,349	208,782	944,244	386,342	2,545,632	57,470	−206,419
$14,000 under $15,000	214,789	41,880	*5,221	*65,134	234,878	1,081,846	397,750	2,086,977	64,251	95,801
$15,000 under $16,000	311,887	81,114	*7,704	*48,936	281,820	1,183,446	333,288	2,288,468	64,637	−212,387
$16,000 under $17,000	298,105	76,955	*12,427	*85,473	248,425	1,057,800	330,284	2,015,976	50,918	−128,583
$17,000 under $18,000	248,593	63,053	*5,514	*35,091	280,256	1,076,584	305,714	2,085,218	45,148	−277,288
$18,000 under $19,000	332,348	71,410	*8,906	*48,454	323,988	827,928	320,147	2,270,185	54,754	−81,388
$19,000 under $20,000	305,638	82,686	*3,683	*31,327	217,430	[illegible]	308,753	2,627,008	77,318	−108,537
$20,000 under $25,000	1,881,821	548,481	58,348	286,807	1,124,278	5,983,275	1,162,675	6,679,881	287,140	−553,584
$25,000 under $30,000	2,344,968	659,537	36,038	441,316	1,012,714	6,032,130	813,465	6,753,684	218,298	82,329
$30,000 under $40,000	4,572,907	1,419,984	42,817	513,934	1,542,148	8,708,910	1,307,083	11,023,461	232,443	−626,491
$40,000 under $50,000	2,792,618	1,071,427	*8,907	*57,230	918,882	7,812,881	842,577	8,547,370	172,545	−31,046
$50,000 under $75,000	2,153,211	1,124,384	7,943	185,674	951,616	12,998,085	783,198	8,098,153	179,304	−249,024
$75,000 under $100,000	411,556	363,882	4,687	136,639	238,470	6,338,657	177,988	2,152,146	39,204	−307,159
$100,000 under $200,000	312,779	468,633	2,543	105,428	199,443	7,411,205	110,184	1,768,486	45,758	−481,440
$200,000 under $500,000	83,148	233,471	426	4,635	58,894	2,328,546	33,771	580,500	15,416	−389,215
$500,000 under $1,000,000	12,606	78,262	46	732	10,318	789,528	4,580	150,198	3,442	−178,748
$1,000,000 or more	6,943	179,667	55	5,727	5,620	1,082,672	2,422	118,788	1,927	−180,986
Taxable returns, total	17,073,293	6,698,978	322,510	2,480,121	8,880,838	69,486,767	10,380,798	75,783,533	1,770,001	−3,806,488
Nontaxable returns, total	690,541	318,668	24,726	105,836	2,348,464	428,796	1,192,133	4,219,488	921,066	−8,854,488

Footnotes at end of table.

Table 1. — All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Unemployment compensation: Total: Number of returns (21)	Unemployment compensation: Total: Amount (22)	Unemployment compensation: In adjusted gross income: Number of returns (23)	Unemployment compensation: In adjusted gross income: Amount (24)	Social Security income in AGI: Number of returns (25)	Social Security income in AGI: Amount (26)	Statutory adjustments: Total: Number of returns (27)	Statutory adjustments: Total: Amount (28)	Statutory adjustments: Employee business expense: Number of returns (29)	Statutory adjustments: Employee business expense: Amount (30)
All returns, total	7,767,729	13,393,229	4,469,229	6,032,432	2,869,014	7,877,222	37,191,969	89,702,946	7,520,982	18,777,985
No adjusted gross income	41,960	135,368	*9	*14	*64	*379	100,362	381,801	17,479	117,082
$1 under $1,000	109,616	227,962	—	—	—	—	26,965	20,776	*5,482	*10,169
$1,000 under $2,000	135,346	294,940	—	—	—	—	48,142	62,206	*8,546	*23,751
$2,000 under $3,000	206,014	427,850	—	—	—	—	86,873	260,259	38,201	153,239
$3,000 under $4,000	192,822	402,866	—	—	*1,832	*3,857	139,865	243,065	63,259	132,515
$4,000 under $5,000	301,065	633,690	*4,045	*5,461	*1,829	*3,724	187,677	185,934	58,920	75,377
$5,000 under $6,000	276,406	523,968	*8,080	*1,829	—	—	220,236	264,327	77,872	160,921
$6,000 under $7,000	251,600	405,983	*4,044	*1,173	—	—	372,221	431,155	91,496	189,984
$7,000 under $8,000	292,587	508,767	*18,010	*13,864	—	—	428,814	508,586	76,361	217,769
$8,000 under $9,000	323,484	484,267	*24,271	*9,417	—	—	483,661	702,196	110,953	326,480
$9,000 under $10,000	258,808	428,122	*18,016	*6,287	—	—	829,618	744,210	112,968	282,109
$10,000 under $11,000	279,810	519,164	*22,066	*11,836	*8,142	*15,654	530,810	628,368	86,497	206,972
$11,000 under $12,000	223,548	400,420	82,731	39,140	*2,025	*4,074	612,726	777,684	109,684	201,199
$12,000 under $13,000	295,785	518,075	134,544	88,144	—	—	709,586	907,832	102,409	237,779
$13,000 under $14,000	213,338	381,842	87,580	93,906	*68	*212	840,674	950,005	139,419	299,043
$14,000 under $15,000	183,018	328,330	87,090	88,984	*6,669	*12,037	831,867	891,131	137,365	357,384
$15,000 under $16,000	218,318	292,951	100,284	73,166	**4,047	**498	818,015	1,200,870	144,626	371,051
$16,000 under $17,000	202,150	286,716	103,980	116,345	—	—	782,378	969,636	142,286	228,108
$17,000 under $18,000	246,996	420,522	240,725	231,420	—	—	807,672	1,203,126	165,257	333,905
$18,000 under $19,000	165,790	251,557	165,790	144,780	**	**	812,479	1,228,724	158,228	391,938
$19,000 under $20,000	171,813	249,874	171,813	190,706	—	—	809,847	1,202,557	168,539	351,911
$20,000 under $25,000	895,083	1,386,434	895,080	1,209,541	156,930	130,230	4,361,083	7,046,443	869,733	1,848,921
$25,000 under $30,000	758,795	1,217,508	758,795	1,194,224	309,518	380,244	4,466,822	8,140,472	841,712	1,810,325
$30,000 under $40,000	974,986	1,615,080	974,984	1,609,529	798,075	1,870,880	8,049,553	17,761,733	1,514,978	3,317,903
$40,000 under $50,000	359,382	585,737	359,382	585,737	523,938	1,834,922	4,863,783	14,108,420	944,458	2,103,518
$50,000 under $75,000	171,208	288,942	171,208	288,940	464,880	1,907,612	3,907,287	16,909,238	580,608	2,688,000
$75,000 under $100,000	19,101	32,802	19,101	32,802	150,657	886,140	849,971	5,203,729	212,457	863,033
$100,000 under $200,000	6,906	15,586	6,906	15,586	129,251	686,358	625,370	4,922,456	109,435	1,128,875
$200,000 under $500,000	608	1,287	608	1,287	42,863	270,582	154,171	1,394,362	29,432	242,873
$500,000 under $1,000,000	*42	*231	*42	*231	6,578	36,840	23,129	280,947	3,519	42,251
$1,000,000 or more	*20	*66	*20	*66	3,764	23,378	11,060	175,336	1,371	32,657
Taxable returns, total	6,384,195	10,423,843	4,425,193	6,386,458	2,846,103	7,832,874	35,478,336	86,744,445	7,140,844	17,510,838
Nontaxable returns, total	1,383,534	2,939,477	44,036	45,975	23,911	45,198	1,713,644	2,958,221	380,568	1,267,167

Size of adjusted gross income	Statutory adjustments—Continued: Payments to an individual retirement arrangement: Number of returns (31)	Statutory adjustments—Continued: Payments to an individual retirement arrangement: Amount (32)	Statutory adjustments—Continued: Payments to a Keogh: Number of returns (33)	Statutory adjustments—Continued: Payments to a Keogh: Amount (34)	Statutory adjustments—Continued: Alimony paid: Number of returns (35)	Statutory adjustments—Continued: Alimony paid: Amount (36)	Statutory adjustments—Continued: Deduction for working married couple: Number of returns (37)	Statutory adjustments—Continued: Deduction for working married couple: Amount (38)	Exemptions: Number of exemptions (39)	Exemptions: Exemptions other than age or blindness (40)
All returns, total	15,358,972	35,773,272	664,236	4,198,267	682,436	3,757,845	24,328,499	22,602,063	241,493,861	225,482,899
No adjusted gross income	25,000	69,038	4,836	22,436	11,096	108,307	30,046	22,641	2,525,413	2,350,278
$1 under $1,000	*2,033	*4,124	—	—	*1,830	*915	*8,882	*1,522	2,976,381	2,884,329
$1,000 under $2,000	*13,716	*20,630	—	—	*1,831	*71	11,122	1,528	4,621,824	4,476,921
$2,000 under $3,000	*18,226	*31,878	—	—	*11,798	*41,278	*21,374	*7,451	4,784,602	4,554,582
$3,000 under $4,000	28,179	55,040	*4	*90	*4,047	*1,081	23,351	3,973	5,190,428	4,852,230
$4,000 under $5,000	46,167	74,388	*1,830	*546	*5,922	*18,420	57,588	6,897	6,057,915	5,478,159
$5,000 under $6,000	52,376	87,808	—	—	*7	*25	102,082	13,500	5,915,701	5,275,031
$6,000 under $7,000	87,634	134,545	*1,830	*518	*12,136	*22,246	158,946	32,406	6,720,985	5,993,442
$7,000 under $8,000	124,281	178,120	*2,280	*6,915	*1,830	*1,096	228,430	52,083	6,866,572	6,095,769
$8,000 under $9,000	159,968	224,838	*3,080	*10,623	*10,114	*40,088	186,082	43,907	7,143,647	6,254,333
$9,000 under $10,000	158,023	261,360	*5,494	*5,410	*10,600	*25,650	257,204	60,747	6,545,052	5,793,425
$10,000 under $11,000	142,708	236,398	*1,929	*10,253	*2,564	*18,908	315,348	81,195	6,561,535	5,798,805
$11,000 under $12,000	181,588	323,488	*14,761	*19,274	*19,017	*50,578	339,486	93,453	6,558,447	5,888,775
$12,000 under $13,000	236,415	396,141	*12,400	*16,580	25,279	57,986	373,144	119,908	6,809,927	6,170,914
$13,000 under $14,000	218,605	361,911	*5,223	*9,304	*8,781	*14,686	317,445	110,610	6,157,718	5,586,986
$14,000 under $15,000	172,891	304,540	*3,092	*9,977	*14,843	*49,449	340,654	121,115	5,817,867	5,312,144
$15,000 under $16,000	267,897	484,061	*2,365	*8,868	*17,248	*80,868	451,852	191,294	5,711,990	5,189,439
$16,000 under $17,000	250,030	398,185	*6,777	*21,040	*13,604	*34,816	458,708	191,679	6,129,377	5,641,979
$17,000 under $18,000	248,332	473,572	*8,520	*4,860	28,396	86,716	478,827	206,911	5,982,477	5,503,183
$18,000 under $19,000	249,385	488,858	*5,222	*8,028	*12,744	*55,488	453,277	229,222	5,444,647	4,893,817
$19,000 under $20,000	269,980	503,884	*7,258	*10,772	*8,415	*43,288	488,082	246,722	5,167,388	4,817,084
$20,000 under $25,000	1,421,615	2,700,819	38,574	90,787	71,018	228,888	2,767,287	1,736,891	23,340,547	21,999,825
$25,000 under $30,000	1,546,798	3,141,074	60,384	157,811	55,850	251,151	3,096,486	2,387,806	22,105,224	21,288,017
$30,000 under $40,000	3,155,053	7,098,110	75,061	223,226	100,698	530,357	5,904,747	5,821,658	34,651,354	33,608,911
$40,000 under $50,000	2,306,308	5,916,957	67,196	327,840	78,366	367,275	3,716,872	4,836,713	19,376,810	18,687,748
$50,000 under $75,000	2,570,646	7,490,179	145,467	851,980	74,379	511,780	2,881,911	4,666,439	15,381,759	14,692,501
$75,000 under $100,000	698,594	2,171,629	77,806	683,087	39,594	394,284	490,365	812,677	3,443,621	3,199,538
$100,000 under $200,000	549,958	1,880,025	78,400	1,051,298	30,398	434,483	289,773	400,538	2,631,263	2,410,880
$200,000 under $500,000	131,236	385,566	23,471	427,931	9,131	191,483	66,163	101,883	684,350	606,105
$500,000 under $1,000,000	20,131	59,486	3,754	94,588	2,072	68,709	8,693	13,154	104,418	91,674
$1,000,000 or more	9,033	27,017	1,887	54,083	1,211	51,804	4,253	6,756	54,030	48,338
Taxable returns, total	15,042,684	35,105,179	630,306	4,096,473	614,863	3,467,328	23,254,301	22,249,567	201,878,379	n.a.
Nontaxable returns, total	316,388	668,097	28,932	101,794	67,574	290,517	1,086,168	353,496	39,616,679	n.a.

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Contributions deduction for nonitemizers		Returns with itemized deductions							
					Medical and dental expense deduction		Taxes paid deduction		Interest paid deduction	
	Number of returns	Amount	Number of returns	Total itemized deductions	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All returns, total	23,073,488	1,174,145	38,223,810	356,427,100	10,626,396	21,349,064	37,938,974	115,917,237	34,572,316	155,288,636
No adjusted gross income	—	—	—	—	—	—	—	—	—	—
$1 under $1,000	155,846	4,506	42,558	367,967	30,007	72,606	40,722	27,408	32,164	218,976
$1,000 under $2,000	301,395	12,311	146,167	235,408	23,775	33,720	113,806	43,038	27,088	139,469
$2,000 under $3,000	383,735	14,499	149,088	344,446	42,040	81,916	132,906	51,215	39,095	131,264
$3,000 under $4,000	714,534	27,917	98,652	290,814	27,622	66,927	71,337	40,772	35,312	115,576
$4,000 under $5,000	849,619	35,986	231,362	1,143,418	115,730	382,956	172,904	159,515	111,828	424,676
$5,000 under $6,000	888,615	38,140	271,456	1,368,644	208,617	630,434	253,445	225,434	169,808	346,290
$6,000 under $7,000	1,046,663	50,164	310,137	1,620,814	216,489	476,330	308,303	303,748	234,408	618,502
$7,000 under $8,000	1,152,536	58,670	281,002	1,482,300	210,204	567,807	263,646	228,318	198,098	435,705
$8,000 under $9,000	1,215,519	61,191	409,042	2,269,311	297,318	645,527	386,818	382,693	301,468	787,045
$9,000 under $10,000	1,108,559	54,585	344,687	1,944,218	242,683	629,236	328,508	360,800	285,361	698,478
$10,000 under $11,000	1,181,026	60,136	459,377	2,480,765	309,620	763,435	457,547	533,851	349,605	800,383
$11,000 under $12,000	1,056,572	53,588	547,686	2,912,823	338,867	636,006	545,856	652,703	453,592	1,151,071
$12,000 under $13,000	1,041,946	54,924	526,216	2,629,146	310,061	480,123	514,076	633,904	420,051	1,000,821
$13,000 under $14,000	957,532	48,760	582,118	3,609,087	326,020	1,044,256	575,191	707,672	503,737	1,325,064
$14,000 under $15,000	917,536	49,013	510,536	2,086,383	288,263	444,368	510,536	671,187	425,417	1,118,251
$15,000 under $16,000	905,012	44,943	684,526	3,811,168	372,469	612,437	664,526	901,667	598,246	1,684,858
$16,000 under $17,000	847,037	43,962	711,540	3,963,171	314,273	672,135	707,495	1,063,356	633,766	1,574,015
$17,000 under $18,000	876,983	46,417	686,926	3,913,004	315,102	603,525	686,926	1,053,921	586,721	1,822,708
$18,000 under $19,000	712,477	37,720	783,529	4,638,791	372,956	665,372	783,528	1,222,584	709,086	1,868,730
$19,000 under $20,000	613,628	33,347	776,798	4,283,407	305,598	420,482	765,827	1,189,324	704,366	1,871,733
$20,000 under $25,000	2,588,316	139,558	4,219,906	26,374,986	1,540,228	2,281,872	4,213,515	7,688,907	3,872,379	11,910,873
$25,000 under $30,000	1,597,036	91,518	4,770,842	33,530,975	1,301,902	1,850,568	4,762,142	10,401,845	4,483,727	15,587,874
$30,000 under $40,000	1,384,156	78,216	8,859,794	72,612,786	1,786,631	3,125,368	8,851,082	23,882,306	8,400,648	33,870,774
$40,000 under $50,000	401,941	23,614	5,359,886	52,994,103	747,117	1,401,436	5,351,198	18,867,036	5,075,031	24,341,798
$50,000 under $75,000	182,335	10,643	4,443,529	59,686,442	486,218	1,558,134	4,440,761	21,117,507	4,142,166	28,891,867
$75,000 under $100,000	18,634	1,194	1,009,107	19,839,487	77,715	480,836	1,008,912	7,084,850	912,718	8,752,162
$100,000 under $200,000	7,567	500	756,311	22,348,602	33,926	322,102	756,311	8,047,868	677,821	9,295,840
$200,000 under $500,000	1,545	108	201,084	12,347,873	6,056	174,335	200,966	4,559,449	176,451	4,019,084
$500,000 under $1,000,000	120	8	31,612	4,045,636	550	19,124	31,606	1,581,310	27,758	1,238,300
$1,000,000 or more	56	4	16,549	6,711,118	127	6,568	16,534	2,433,060	14,530	1,532,537
Taxable returns, total	20,701,898	1,069,832	36,398,673	337,234,933	9,350,036	16,236,966	36,202,417	113,081,378	33,110,236	146,282,360
Nontaxable returns, total	2,371,601	104,313	1,824,337	19,192,167	1,276,176	5,109,108	1,736,557	2,835,858	1,462,271	8,911,270

Size of adjusted gross income	Returns with itemized deductions—Continued						Taxable income		Income tax before credits	
	Contributions deduction		Miscellaneous deductions		Net casualty or theft loss					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	34,580,082	42,419,864	31,559,214	20,739,868	244,751	798,088	94,444,384	1,714,794,713	84,661,717	310,963,064
No adjusted gross income	—	—	—	—	—	—	—	—	10,867	50,115
$1 under $1,000	34,647	8,989	25,446	38,933	*1,830	*51	*32,356	*64,884	**258,355	**12,726
$1,000 under $2,000	25,196	6,011	92,510	13,174	—	—	2,880,571	2,016,727	**	**
$2,000 under $3,000	74,448	37,617	**124,121	**85,982	**1,832	**97	3,028,076	4,490,909	169,884	27,630
$3,000 under $4,000	35,690	13,889	**	**	**	**	3,165,842	7,149,128	1,738,829	68,681
$4,000 under $5,000	116,640	47,050	137,680	147,882	*1,830	*1,129	3,464,108	10,122,843	2,634,051	322,512
$5,000 under $6,000	187,198	144,054	148,197	37,018	*4,045	*5,412	3,101,843	11,632,478	2,526,660	529,180
$6,000 under $7,000	259,335	162,301	191,458	122,970	*11,750	*38,953	3,259,738	14,382,240	2,656,704	814,591
$7,000 under $8,000	219,337	167,328	183,406	62,956	—	—	3,307,284	17,787,660	3,009,387	1,201,618
$8,000 under $9,000	294,557	193,558	283,207	77,528	*8,088	*4,858	3,397,058	21,280,000	3,200,638	1,607,288
$9,000 under $10,000	291,686	181,177	258,001	68,252	*5,874	*6,275	3,042,631	21,857,607	2,948,231	1,797,620
$10,000 under $11,000	398,783	265,268	310,923	94,883	*8,088	*22,838	2,951,237	23,560,181	2,868,571	2,059,885
$11,000 under $12,000	469,911	375,152	391,568	97,888	—	—	2,983,168	26,546,913	2,921,861	2,485,403
$12,000 under $13,000	447,907	370,791	400,504	137,942	*3,008	*5,566	2,901,031	28,346,730	2,872,728	2,798,128
$13,000 under $14,000	445,869	331,512	450,367	168,790	*14,773	*31,794	2,722,508	29,145,745	2,696,856	3,085,516
$14,000 under $15,000	439,308	350,270	365,000	102,407	—	—	2,442,821	28,349,474	2,429,641	3,068,260
$15,000 under $16,000	614,036	452,117	534,444	213,368	*9,918	*6,822	2,462,412	30,586,401	2,439,026	3,425,203
$16,000 under $17,000	624,070	453,278	560,522	220,368	—	—	2,426,976	32,090,722	2,414,498	3,679,276
$17,000 under $18,000	598,184	421,275	545,824	193,780	*10,598	*17,783	2,394,200	33,962,337	2,384,666	4,057,662
$18,000 under $19,000	672,747	488,973	623,787	293,468	*3,684	*686	2,160,303	32,722,264	2,177,243	4,010,798
$19,000 under $20,000	686,615	574,478	600,307	217,934	*3,206	*10,445	2,036,906	32,499,802	2,032,073	4,079,180
$20,000 under $25,000	3,734,972	2,984,874	3,536,206	1,573,138	38,382	95,322	8,834,536	161,636,911	8,819,782	21,650,377
$25,000 under $30,000	4,331,526	3,476,725	3,987,447	2,013,085	33,660	200,876	7,622,240	189,164,357	7,611,147	24,484,301
$30,000 under $40,000	8,200,106	7,184,240	7,807,220	4,408,300	48,695	161,800	11,082,718	306,331,278	11,060,033	49,820,410
$40,000 under $50,000	5,116,591	5,653,613	4,809,872	2,880,860	8,113	39,567	5,992,541	211,864,666	5,992,920	39,622,006
$50,000 under $75,000	4,315,198	6,888,561	3,874,376	3,370,425	19,712	78,148	4,695,616	218,569,568	4,684,686	48,309,480
$75,000 under $100,000	982,980	2,379,298	863,333	1,136,382	5,382	15,958	1,038,876	68,583,236	1,036,626	10,826,960
$100,000 under $200,000	740,180	3,134,164	653,988	1,538,524	1,776	20,102	767,834	78,866,952	767,566	26,417,970
$200,000 under $500,000	198,130	2,807,057	170,318	770,101	483	17,847	202,654	45,309,582	202,536	19,002,030
$500,000 under $1,000,000	30,901	955,228	28,786	242,286	42	9,408	31,700	17,518,453	31,686	8,190,988
$1,000,000 or more	16,295	2,299,742	14,318	401,231	*22	*7,983	16,583	31,436,700	16,593	15,447,271
Taxable returns, total	33,218,336	40,983,837	30,402,320	20,027,880	215,174	610,624	81,813,863	1,684,980,234	81,828,116	309,816,418
Nontaxable returns, total	1,461,746	1,435,786	1,147,894	712,088	29,577	187,476	12,630,531	29,716,179	2,832,862	1,146,636

Footnotes at end of table.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax				Total tax liability	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Percent of all returns	Amount	Average (dollars)	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)
All returns, total	**20,530,889**	**8,901,812**	**81,788,254**	**302,061,242**	**237,396**	**1,898,861**	**81,850,363**	**82.3**	**303,960,103**	**3,714**	**83,738,512**	**315,023,856**
No adjusted gross income	4,915	2,151	10,237	47,963	7,722	219,261	17,959	1.9	267,224	14,880	219,898	398,739
$1 under $1,000	**	**	*4,046	*121	**	**	*4,046	0.2	*144	36	50,657	16,935
$1,000 under $2,000	**12,136	**868	240,474	11,916	**12	**173	240,485	4.9	12,089	50	412,660	36,894
$2,000 under $3,000	—	—	169,885	27,630	*244	*4,602	170,129	8.0	32,232	189	344,914	78,095
$3,000 under $4,000	43,346	1,270	1,719,370	87,411	*50	*502	1,719,420	50.3	87,913	51	1,881,150	167,564
$4,000 under $5,000	234,962	12,138	2,438,928	310,374	*49	*2,071	2,438,977	67.4	312,445	128	2,573,280	387,512
$5,000 under $6,000	389,818	42,738	2,202,338	496,442	*19	*338	2,202,357	88.1	496,780	226	2,336,962	580,028
$6,000 under $7,000	601,868	90,668	2,144,881	723,903	**201	**1,150	2,145,081	84.4	725,053	338	2,291,464	825,863
$7,000 under $8,000	790,816	156,148	2,487,560	1,045,470	**	**	2,487,561	73.4	1,045,484	424	2,585,564	1,168,085
$8,000 under $9,000	846,266	166,122	2,887,537	1,441,135	**1,719	**12,015	2,889,256	83.7	1,453,150	503	2,969,985	1,612,432
$9,000 under $10,000	850,436	128,172	2,774,213	1,669,448	**	**	2,774,214	90.1	1,669,476	602	2,833,081	1,823,096
$10,000 under $11,000	451,281	125,253	2,793,537	1,934,632	*635	*2,926	2,794,172	93.7	1,937,558	693	2,831,691	2,141,986
$11,000 under $12,000	383,278	121,577	2,815,785	2,363,825	*197	*2,362	2,815,982	94.1	2,366,187	840	2,896,631	2,581,989
$12,000 under $13,000	453,644	150,766	2,779,865	2,647,340	*59	*1,993	2,779,924	95.6	2,649,333	953	2,817,696	2,820,316
$13,000 under $14,000	443,338	147,833	2,620,466	2,917,683	*74	*2,552	2,620,540	96.3	2,920,235	1,114	2,656,383	3,077,836
$14,000 under $15,000	421,213	148,109	2,400,148	2,920,153	*9	*202	2,400,157	98.1	2,920,355	1,217	2,424,586	3,139,755
$15,000 under $16,000	445,868	154,618	2,418,967	3,270,586	*199	*2,163	2,419,166	98.1	3,272,749	1,353	2,436,751	3,507,930
$16,000 under $17,000	477,468	157,370	2,382,726	3,521,905	*190	*1,289	2,382,871	97.8	3,523,194	1,479	2,403,001	3,727,981
$17,000 under $18,000	379,100	125,966	2,363,439	3,931,693	*549	*5,092	2,363,988	98.6	3,936,785	1,665	2,382,550	4,123,411
$18,000 under $19,000	402,146	132,208	2,143,029	3,878,581	*1,176	*777	2,143,028	98.1	3,879,358	1,810	2,161,586	4,033,909
$19,000 under $20,000	401,828	139,234	2,015,536	3,939,926	*596	*12,466	2,016,136	98.9	3,952,392	1,960	2,031,316	4,166,438
$20,000 under $25,000	2,035,803	685,172	8,735,369	20,985,206	7,552	17,627	8,739,127	98.7	21,002,833	2,403	8,792,492	22,000,245
$25,000 under $30,000	2,050,003	716,883	7,549,856	23,767,418	6,536	8,473	7,550,769	98.9	23,775,891	3,149	7,587,487	24,781,986
$30,000 under $40,000	3,302,513	1,128,167	11,029,869	48,692,243	27,981	74,953	11,035,091	99.4	48,767,196	4,419	11,063,857	50,219,912
$40,000 under $50,000	1,992,136	836,251	5,970,404	38,785,754	49,939	67,360	5,981,231	99.6	38,853,114	6,496	5,996,180	39,933,245
$50,000 under $75,000	1,899,156	971,264	4,668,545	47,338,197	49,462	240,883	4,683,316	99.8	47,579,080	10,159	4,687,095	49,056,571
$75,000 under $100,000	522,094	434,737	1,030,333	18,392,222	27,076	149,876	1,036,660	99.7	18,542,734	17,887	1,038,217	19,172,749
$100,000 under $200,000	472,508	948,606	763,637	25,469,365	34,956	408,421	769,136	99.8	25,879,296	33,647	769,486	26,592,863
$200,000 under $500,000	152,226	556,281	202,029	18,445,749	16,624	414,547	203,123	99.7	18,862,592	92,863	203,366	19,247,764
$500,000 under $1,000,000	25,743	223,871	31,636	7,967,117	2,266	111,025	31,834	99.8	8,079,442	253,799	31,870	8,221,981
$1,000,000 or more	14,680	417,471	16,581	15,029,800	1,224	134,736	16,631	99.8	15,167,316	911,991	16,636	15,382,984
Taxable returns, total	**17,698,087**	**7,755,176**	**81,788,254**	**302,061,242**	**237,396**	**1,898,861**	**81,850,363**	**100.0**	**303,960,103**	**3,714**	**81,850,363**	**313,850,638**
Nontaxable returns, total	**2,832,802**	**1,146,636**	—	—	—	—	—	—	—	—	**1,888,149**	**1,173,218**

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

n.a. — Not available.

NOTE: Detail may not add to total because of rounding.

Crude Oil Windfall Profit Tax, Second Quarter 1985

By Edward Chung*

The Crude Oil Windfall Profit Tax Act of 1980 imposed a Federal excise tax on domestic crude oil extracted on or after March 1, 1980.

Tables 1 through 3 provide summary data for the second quarter of 1985 while Tables 4 through 6 give the cumulative results for the first half of 1985. Figures A and B, as well as Table 7, provide a historical perspective.

Please note that tier one (70 percent) Sadlerochit oil dropped from 88.5 million barrels in the first quarter of 1985 to 2.7 million barrels in the second quarter. This decline was primarily due to several oil companies, with significant amounts of production, reporting zero tax liability for this tier of oil.

DATA SOURCES AND LIMITATIONS

The windfall profit tax is reported on the Quarterly Federal Excise Tax Return, Form 720. Form 6047, Windfall Profit Tax, shows how the tax is computed and is filed as an attachment to Form 720. Tabulations in this article are based on the Form 6047. Returns are due 2 months after the end of the quarter in which the oil is removed. Data are based on all returns with a tax liability of $1 million or more before adjustments and a 10-percent sample of all other returns.

Sampling and nonsampling errors were controlled by a variety of methods. Although efforts were made to secure missing returns, some returns may have been omitted because of time and resource constraints. Attempts were made to correct imbalances in taxpayer entries for the components of windfall profit; if this proved impossible, an out-of-balance return was treated as a return on which the components were not reported, and therefore only the tax liability for each tier was tabulated. However, for returns not reporting the tax computation detail (for Figures A and D only), the components were estimated using a factor derived from the relationship of the tax

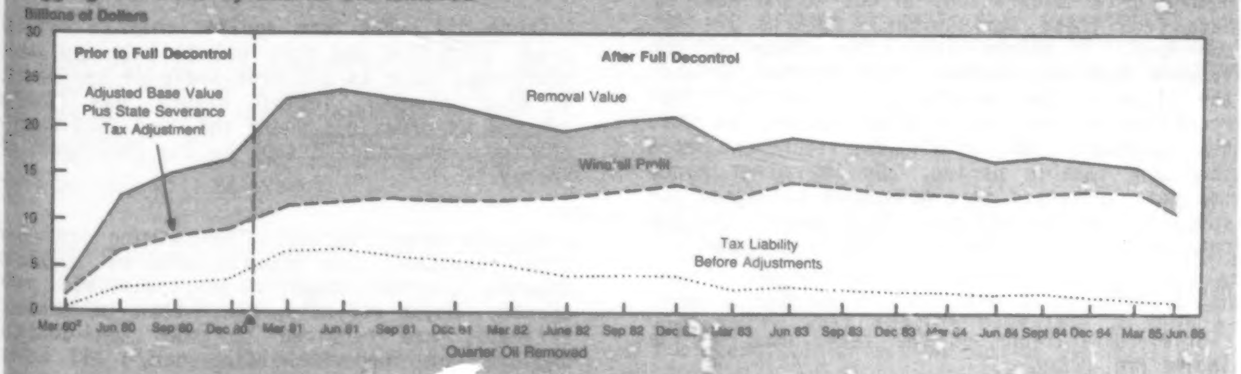

Figure A

Components[1] of Windfall Profit Tax Liability Before Adjustments: Aggregate Values By Quarter Oil Removed

[1] Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.

[2] One month only.

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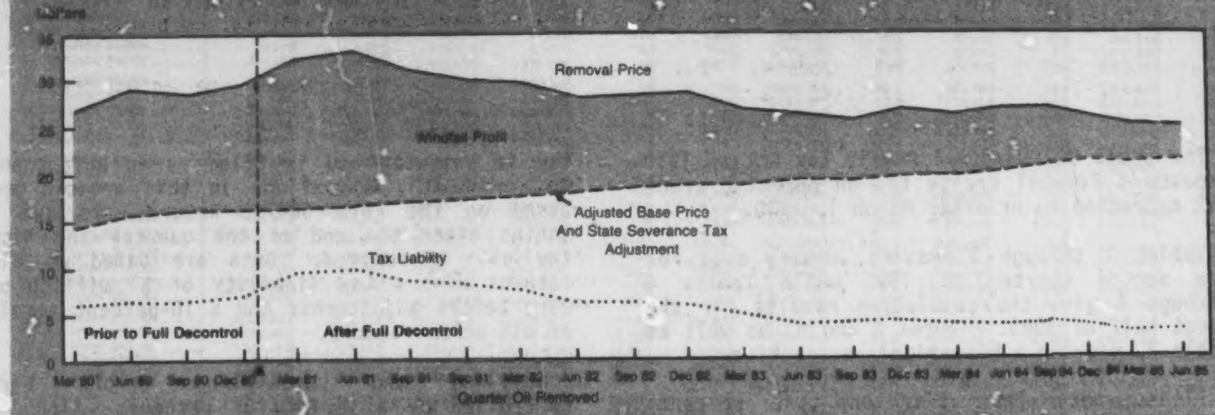
*Foreign Special Projects Section. Prepared with the assistance of Patricia Slaughter under the direction of Michael Alexander, Chief.

Figure B
Components of Windfall Profit Tax Liability: Averages per Barrel by Quarter Oil Removed



NOTE: Because of price controls during 1980, there were cases where the removal price was less than the adjusted base price and no Form 6047 was filed. The data in the figure are based on information reported.

¹One month only.

liability for those reporting all of the tax computation detail. A number of verification checks were performed at all stages of manual data abstraction and computer tabulation.

The Statistics of Income Bulletin also includes data on excise tax collections. The excise tax collection figures show the liability after adjustments, as reported on Form 720, from returns entered into the Internal Revenue Service (IRS) computerized Business Master File (BMF) each quarter. A number of considerations affect comparisons of data from these two sources. Returns are not due until 2 months after the close of the taxable quarter; however, the interval between the close of the taxable period and the final recording of the return often varies, so that the quarterly BMF totals may represent more than one taxable period. On the other hand, the data presented here have been tabulated for specific taxable periods. As a result, the two sets of statistics are not directly comparable.

DEFINITIONS

Brief definitions of the terms used in the tables are given.

Adjusted Base Price.--The base price multiplied by the inflation adjustment, which is derived from the Gross National Product (GNP) "implicit price deflator."

Adjustments to Liability.--Corrections applied to the current quarter's liability to correct for the net income limitation and over- and under-withholding in previous quarters.

Base Price.--For tier one oil, the upper tier ceiling price, as defined by Department of Energy price control regulations, which would have applied to the oil had it been produced and sold in May 1979, reduced by $0.21. For tiers two and three oil, the base prices were $15.20 and $16.55, respectively, adjusted for grade and quality.

Crude Oil.--The term applies only to natural crude petroleum and does not include synthetic petroleum, such as oil from shale or tar sands. It does, however, include natural gas liquids treated as crude oil under the June 1979 energy pricing regulations issued by the Department of Energy.

Deposit Requirements.--The timing of any first purchaser to deposit amounts withheld depends on the identity of the first purchaser. Major refiners, other than independent refiners, are required to make semi-monthly deposits of the withholding tax. All other first purchasers are required to make withholding deposits no later than 45 days after the oil is removed from the premises, except independent refiners that purchase oil under delayed payments contracts. The latter are required to make deposits by the first day of the third month beginning after the month of removal.

Exempt Alaskan Oil.--Oil from a reservoir other than the Sadlerochit reservoir that has been commercially exploited by any well north of the Arctic Circle; and oil produced north of the divides of the Alaska and Aleutian Ranges, and at least 75 miles from the nearest point of the Trans-Alaskan Pipeline System.

Exempt Charitable Oil.--Oil produced from economic interests held by qualified charitable medical facilities, educational institutions, and child care organizations (as defined in Internal Revenue Code section 170), if such interests were held on January 21, 1980, and at all times thereafter; and oil produced from interests held by a church on January 21, 1980, if, before January 22, 1980, the net proceeds from such oil were dedicated to the support of a medical facility, educational institution, or child care facility.

Exempt Governmental Oil.--Oil produced from an economic interest held by a state or a political subdivision (including agencies and instrumentalities), the net income from which is used for public purposes.

Exempt Indian Oil.--Oil produced from mineral interests held by or on behalf of Indian tribes or individuals on January 21, 1980, which is one of the following: (a) production received by Indian tribes and individuals from Tribal Trust Lands (the title to such land is held by the United States in trust for the tribes); (b) production from land or mineral interests held by an Indian tribe eligible for services provided to Indians by the Secretary of the Interior; or (c) oil, the proceeds from which are paid into the U.S. Treasury to the credit of tribal or native trust funds pursuant to law. This exemption also applies to production of any Alaskan Native Corporation prior to 1991, including wholly-owned subsidiaries of such corporations.

Exempt Royalty Oil.--Qualified royalty owners are exempt from the windfall profit tax on two barrels of oil per day for each day of the calendar quarter for oil removed after December 31, 1981. For 1985 and thereafter, three barrels per day will be exempt.

Exempt Stripper Oil.--Oil removed from stripper wells may qualify for exemption from the windfall profit tax if the following conditions are met:

(1) the oil must be removed from a stripper well property after 1982,
(2) the oil must be extracted by an independent producer,
(3) the oil must be attributable to the independent producer's working interest in the property, and
(4) the stripper well property must not be a property transferred by a nonindependent producer on or after July 23, 1981.

Net Income Limitation.--The windfall profit on a barrel of oil may not exceed 90 percent of the net income attributable to the barrel.

Net Revenue.--This equals the gross revenue from the windfall profit tax, or excise tax (excluding that amount attributable to U.S. government interests), less the reduction of income tax resulting from taxpayers claiming deductions for windfall profit tax paid. Figures presented in this report are the gross liabilities reported by the withholding agents on Form 6047 and are before the reductions mentioned above.

Removal Price.--Generally, the price for which a barrel of oil is sold. In some instances, a constructive sales price is used.

Sadlerochit Oil.--Crude oil production from the Sadlerochit reservoir in the Prudhoe Bay oil field in Alaska.

State Severance Tax Adjustment.--A tax imposed by a state with respect to the extraction of oil. The windfall profit is reduced by the amount by which the severance tax exceeds that which would have been imposed had the oil been valued at its adjusted base price.

Stripper Oil.--In general, oil from a property for which the average daily production per well has been 10 barrels or less for any consecutive 12-month period after 1972.

Tier One Oil.--All domestically-produced crude oil other than any oil classified in tier two or three, or explicitly exempted by law from the tax. This includes the bulk of domestic oil from reservoirs proven to be productive before 1979.

Tier Two Oil.--Any oil from a stripper well property within the meaning of the June 1979 Department of Energy pricing regulations and oil from a U.S. economic interest in a Naval Petroleum Reserve. Note that the Crude Oil Windfall Profit Tax Act of 1980 defined tier two oil as from a "National" Petroleum Reserve. This was amended to read "Naval" Petroleum Reserve by the Technical Corrections Act of 1982.

Tier Three Oil, Heavy Oil.--All crude oil (1) produced that had a weighted average gravity of 16.0 degrees or less on the American Petroleum Institute (API) scale, corrected to 60 degrees Fahrenheit, for the last month of production before July 1979, or (2) oil from a property with a weighted average gravity of 16.0 degrees API or less, corrected to 60 degrees Fahrenheit, for the taxable period.

Tier Three Oil, Incremental Tertiary Oil.--Production in excess of a base level on a property on which a qualified tertiary recovery project (one using one of several specific chemical, fluid or gaseous recovery methods to extract oil not recoverable using standard techniques) has been undertaken. The nonincremental oil (i.e., the amount of production up to the base level) remains in the otherwise applicable tier.

Tier Three Oil, Newly Discovered Oil.--Crude oil sold after May 31, 1979, and produced from (1) an outer continental shelf area for which the lease was entered into on or after January 1, 1979, and from which there was no production in Calendar Year 1978 or (2) an on-shore property developed after Calendar Year 1978.

Windfall Profit.--The excess of the removal price of the barrel of oil over the sum of the adjusted base price and the state severance tax adjustment.

Table 1.--Windfall Profit Tax Liability by Oil Tier, Tax Rate and Aggregate Components of Windfall Profit for Quarter Ending June 1985

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's) (1)	Removal value (2)	Adjusted base value (3)	State severance tax adjustment (4)	Windfall profit (5)	Tax liability before adjustments (6)
Returns with tax liability shown by oil tier and tax rate, total	473,539	11,953	9,753	92	2,108	1,470
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	222,823	5,826	3,961	69	1,796	1,247
Taxed at 50 percent	20,230	529	362	10	157	80
Tier one, Sadlerochit oil:						
Taxed at 70 percent	2,703	49	48	0	1	1
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	46,100	1,195	973	8	214	121
Taxed at 30 percent	2,693	40	34	-	6	6
Tier three oil (taxed at 30 percent):						
Newly discovered oil [1]	102,942	2,508	2,592	3	-86	5
Incremental tertiary oil	44,582	1,131	1,105	1	25	9
Heavy oil	31,465	675	680	-	-5	2
Returns with total tax liability only	-	-	-	-	-	183

[1] Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

NOTE: Detail may not add to total because of rounding.

Table 2.--Windfall Profit Tax Liability for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for the Quarter Ending June 1985 [1]

Oil tier and tax rate	Average daily production (000's) (barrels) (1)	Removal price (2)	Adjusted base price (3)	State severance tax adjustment (4)	Windfall profit (5)	Tax liability before adjustments (6)
Returns with tax liability shown by oil tier and tax rate, total	5,204	25.24	20.59	.19	4.46	3.10
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	2,449	26.14	17.77	.30	8.07	5.59
Taxed at 50 percent	222	26.13	17.88	.49	7.76	3.95
Tier one, Sadlerochit oil:						
Taxed at 70 percent	30	18.10	17.73	.04	.33	.23
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	507	25.91	21.09	.17	4.65	2.63
Taxed at 30 percent	30	14.84	12.50	.12	2.22	2.17
Tier three oil (taxed at 30 percent):						
Newly discovered oil [2]	1,131	24.36	25.17	.02	-.83	.04
Incremental tertiary oil	490	25.37	24.77	.03	.57	.19
Heavy oil	346	21.44	21.59	.00	-.15	.05

[1] All amounts are average dollars per barrel.

[2] Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

NOTE: Detail may not add to total because of rounding.

Table 3.--Exempt Oil Volume by Tier and Category, Quarter Ending June 1985

[Thousands of barrels]

Exempt oil	Total	Tier one	Tier two	Tier three: Newly discovered oil	Tier three: Incremental tertiary oil	Tier three: Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	76,293	16,798	40,244	17,480	1,210	562
Exempt governmental interest	16,713	12,904	747	1,963	671	428
Exempt charitable interest	827	406	249	71	94	7
Exempt Indian oil	1,157	443	166	469	75	5
Exempt Alaskan oil	10,985	97	-	10,888	-	-
Exempt royalty oil	10,912	2,947	3,384	4,089	370	122
Exempt stripper oil	35,699	-	35,699	-	-	-

NOTE: Detail may not add to total because of rounding.

Table 4.--Windfall Profit Tax Liability by Oil Tier, Tax Rate and Aggregate Components of Windfall Profit for January to June 1985

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's)	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustment
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total	1,087,384	27,112	22,251	213	4,648	3,214
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	475,337	12,564	8,465	152	3,946	2,700
Taxed at 50 percent	43,141	1,121	773	22	326	166
Tier one, Sadlerochit oil:						
Taxed at 70 percent	91,181	1,595	1,595	5	-5	18
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	97,350	2,550	2,055	20	476	272
Taxed at 30 percent	5,377	80	68	1	11	12
Tier three oil (taxed at 30 percent):						
Newly discovered oil [1]	225,462	5,642	5,803	9	-169	20
Incremental tertiary oil	87,013	2,223	2,151	4	68	22
Heavy oil	62,524	1,336	1,341	0	-6	5
Returns with total tax liability only	-	-	-	-	-	289

[1] Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

NOTE: Detail may not add to total because of rounding.

Table 5.--Windfall Profit Tax Liability for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for January to June 1985 [1]

Oil tier and tax rate	Average daily production (000's) (barrels)	Removal price	Adjusted base price	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(5)
Returns with tax liability shown by oil tier and tax rate, total	6,008	24.93	20.46	.20	4.27	2.96
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	2,626	26.43	17.81	.32	8.30	5.68
Taxed at 50 percent	238	26.00	17.92	.51	7.57	3.85
Tier one, Sadlerochit oil:						
Taxed at 70 percent	504	17.50	17.49	.06	-.05	.19
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	538	26.19	21.11	.20	4.89	2.79
Taxed at 30 percent	30	14.88	12.62	.14	2.12	2.16
Tier three oil (taxed at 30 percent):						
Newly discovered oil [2]	1,246	25.03	25.74	.04	-.75	.09
Incremental tertiary oil	481	25.55	24.72	.04	.79	.25
Heavy oil	345	21.36	21.45	.00	-.09	.08

[1] All amounts are average dollars per barrel.

[2] Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

NOTE: Detail may not add to total because of rounding.

Table 6.--Exempt Oil Volume by Tier and Category, for January to June 1985

[Thousands of barrels]

Exempt Oil	Total	Tier one	Tier two	Tier three		
				Newly discovered oil	Incremental tertiary oil	Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	157,697	34,191	84,006	35,938	2,405	1,158
Exempt governmental interest	33,709	26,156	1,463	3,873	1,336	882
Exempt charitable interest	1,796	852	543	201	180	19
Exempt Indian oil	1,991	828	346	682	129	6
Exempt Alaskan oil	23,197	228	-	22,969	-	-
Exempt royalty oil	22,139	6,128	6,787	8,212	760	252
Exempt stripper oil	74,865	-	74,865	-	-	-

NOTE: Detail may not add to total because of rounding.

Table 7.--Windfall Profit Tax Before and After Adjustments
[Millions of dollars]

Quarter ending	Tax before adjustments (1)	Total adjustemnts (2)	Tax after adjustments (3)
Total	$79,299	-$5,424	$73,875
March 1980 [1]	788	-	788
June 1980	2,842	-21	2,821
September 1980	3,413	-88	3,325
December 1980	3,918	-927	2,991
March 1981	6,953	+242	7,195
June 1981	7,253	-107	7,146
September 1981	6,344	-251	6,093
December 1981	6,007	-497	5,510
March 1982	5,222	-221	5,001
June 1982	4,283	-295	3,988
September 1982	4,404	-445	3,959
December 1982	4,440	-634	3,806
March 1983	3,320	-193	3,127
June 1983	2,951	-203	2,748
September 1983	2,822	-300	2,522
December 1983	2,736	-465	2,271
March 1984	2,622	-228	2,394
June 1984	2,468	-218	2,250
September 1984	2,447	-200	2,247
December 1984	2,236	-256	1,980
March 1985	1,830	-117	1,713
June 1985	1,653	-132	1,521

[1] One month only.

Selected Statistical Series, 1970-1986

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NOTICE

The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

Table 1. — Individual Income Tax Returns: Selected Income and Tax Items for Selected Years, 1970-1984
[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	1970 (1)	1975 (2)	1980 (3)	1982 (4)	1983 (5)	1984 (Preliminary) (6)
Number of returns:						
All returns	74,279,831	82,229,332	93,902,469	95,337,432	96,321,310	99,604,775
Joint returns	42,376,365	44,140,085	45,243,211	46,697,648	46,363,787	47,731,750
Total gross income, amount	639,357,791	962,886,872	1,642,345,558	1,917,022,530	2,023,982,876	2,247,440,765
Salaries and wages:						
Number of returns	66,965,659	73,520,046	83,802,109	83,106,842	83,120,588	86,346,235
Amount	531,883,892	795,399,462	1,349,842,802	1,564,995,190	1,644,572,655	1,818,588,323
Interest received:						
Number of returns	32,630,355	40,378,240	49,019,575	52,841,721	57,076,334	62,199,616
Amount	22,021,267	43,433,554	102,009,444	157,021,475	153,805,163	173,855,732
Taxable pensions and annuities:						
Number of returns	3,249,558	5,088,937	7,373,704	8,824,885	10,120,721	11,572,923
Amount	7,878,808	20,886,871	43,339,736	60,123,166	69,813,961	80,003,021
Dividends:						
No. of returns before exclusion	12,452,227	13,370,427	14,640,139	17,186,673	17,620,109	18,564,113
Amount	17,018,148	23,270,182	43,567,241	54,044,825	50,411,519	51,309,681
No. of returns after exclusion	7,729,939	8,853,491	10,738,982	13,172,360	13,326,556	14,154,993
Amount	15,806,924	21,892,126	r38,761,253	52,142,410	48,556,703	49,396,478
Net capital gain less loss:						
Number of returns	7,962,663	7,574,823	8,929,474	9,636,414	10,917,709	12,374,534
Amount	9,006,683	14,071,893	29,659,600	34,403,728	49,407,678	52,805,522
Business net income (less loss):						
Number of returns	6,159,985	7,242,542	8,881,119	10,092,322	10,682,124	11,229,289
Amount	30,554,201	39,421,478	55,129,154	50,573,164	60,359,154	69,915,552
Total adjustments:						
Number of returns	6,370,552	9,024,255	13,148,919	33,421,412	34,837,711	37,191,980
Amount	7,665,251	15,101,999	28,614,061	64,887,065	81,393,011	89,702,665
Married couple who both work:						
Number of returns	N/A	N/A	N/A	21,690,558	22,557,433	24,320,469
Amount	N/A	N/A	N/A	9,048,263	19,762,365	22,602,083
Individual Retirement Arrangement:						
Number of returns	N/A	1,211,794	2,564,421	12,010,038	13,613,167	15,358,972
Amount	N/A	1,436,443	3,430,894	28,273,852	32,060,627	35,773,272
Self-Employed Retirement (Keogh):						
Number of returns	591,655	595,892	568,936	559,011	656,038	659,238
Amount	847,692	1,603,788	2,007,666	2,482,594	2,937,980	4,108,267
Adjusted gross income	631,692,540	947,784,873	1,613,731,497	1,852,135,465	1,942,589,865	2,157,738,100
Exemptions:						
Total number	204,126,402	212,202,596	227,925,098	232,191,565	234,390,944	241,493,051
Number, age 65 or over	8,904,331	9,937,208	11,847,168	13,955,570	14,819,860	15,824,479
Total amount	127,531,204	159,140,845	227,569,280	232,142,140	234,390,944	241,493,051
Total deductions:						
Number of returns	73,862,448	81,585,541	88,491,251	90,283,236	90,816,724	95,071,466[1]
Amount	120,549,755	233,181,778	346,000,155	425,157,106	448,667,194[1]	497,701,988
Total itemized deductions:						
Number of returns	35,430,047	26,074,061	28,950,282	33,432,809	35,230,292	38,223,010
Amount	88,178,487	122,260,601	218,028,139	284,506,318	309,633,773	356,427,100
Medical and dental expense	10,585,749	11,422,312	14,972,082	21,705,262	18,074,335	21,349,054
Taxes paid	32,014,673	44,141,289	69,404,275	88,037,196	99,750,645	115,917,237
Interest paid	23,929,477	38,885,282	91,187,006	121,852,419	134,691,655	155,203,539
Contributions	12,892,732	15,393,331	25,809,608	33,471,694	37,677,955	42,419,604
Taxable income:						
Number of returns	59,593,598	65,852,602	88,104,696	89,717,836	90,816,724	94,444,394
Amount	401,154,285	595,492,866	1,279,985,360	1,473,348,899	1,544,872,497	1,714,704,713
Income tax before credits:						
Number of returns	59,596,755	65,854,734	76,135,819	78,349,842	80,610,882	84,661,717
Amount	84,156,695[2]	132,452,044	256,294,315	283,931,862	279,841,890	310,963,054
Total tax credits	369,610	8,069,846	7,215,839	7,854,493	r8,190,737[3]	8,901,812[3]
General tax credit	N/A	5,020,477	N/A	N/A	N/A	N/A
Investment credit	30,554	1,593,150	3,288,415	4,139,897	4,161,453	5,948,020
Foreign tax credit	169,623	381,985	1,341,645	757,326	617,749	579,321
Child care credit	N/A	N/A	956,439	1,501,453	2,051,462	2,665,426
Credit for the elderly	167,656	128,968	134,993	131,074	116,324	108,736
Residential energy credit	N/A	N/A	562,141	582,857	549,024	634,584
Earned income credit used to offset income tax before credits	N/A	252,141	451,366	359,717	314,499	286,691
Income tax after credits	83,787,323	124,382,197	249,078,475	276,077,369	271,651,153	302,061,242
Additional tax for tax preferences	121,988	144,100	1,262,964	1,519,921	2,530,170[4]	1,908,651
Total income tax:						
Number of returns	59,317,371	61,490,737	73,906,244	77,035,300	78,016,323	81,850,383
Amount	83,909,311	124,526,297	250,341,440	277,597,290	274,181,323	303,969,892
Payment status:						
Returns with payment due	16,478,813	15,842,400	21,755,516	20,326,807	18,467,829	20,660,163
Returns with refund or credit due	55,273,385	63,825,188	69,868,451	72,425,701	74,993,969	76,275,924

See notes following Table 13.

Table 2. — Individual Income and Tax by State, 1984
[Money amounts are in thousands of dollars]

State	Number of returns	Number of exemptions[1]	Adjusted gross income (AGI)	Salaries and wages		Dividends after exclusion	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total[2]	99,752,249	239,616,963	2,134,035,012	85,071,114	1,781,778,658	14,128,770	51,039,143
Alabama.............	1,466,037	3,729,138	27,510,149	1,289,812	23,629,019	127,636	403,651
Alaska..............	235,342	541,176	6,521,339	209,237	5,935,380	55,035	61,434
Arizona.............	1,276,456	3,148,503	26,266,331	1,065,927	21,281,793	184,515	737,987
Arkansas............	844,657	2,183,289	14,591,720	709,625	12,027,646	67,634	210,964
California..........	11,360,495	27,319,945	261,437,661	9,659,268	218,707,697	1,602,037	6,106,276
Colorado............	1,410,396	3,252,922	31,260,319	1,216,918	26,693,694	208,977	635,461
Connecticut.........	1,539,588	3,408,010	39,026,841	1,324,526	32,524,805	311,475	1,335,259
Delaware............	273,752	639,345	6,148,020	237,402	5,097,036	48,361	230,035
District of Columbia	316,428	648,554	7,142,767	273,781	5,550,460	44,738	268,233
Florida.............	4,905,553	11,594,614	101,264,658	3,914,520	72,842,092	857,128	4,558,531
Georgia.............	2,375,875	5,719,184	48,000,006	2,133,144	42,177,150	226,153	794,469
Hawaii..............	461,424	1,055,297	9,322,406	400,452	7,765,670	68,520	193,874
Idaho...............	368,546	990,884	6,577,681	304,436	5,480,486	44,599	123,598
Illinois............	4,833,380	11,681,835	108,791,989	4,102,975	91,106,811	787,363	2,738,103
Indiana.............	2,237,755	5,525,994	45,223,206	1,906,784	38,501,781	255,626	723,368
Iowa................	1,165,334	2,922,123	21,295,026	915,219	17,030,232	171,997	420,979
Kansas..............	1,010,998	2,496,801	21,020,130	834,098	17,088,564	140,992	415,424
Kentucky............	1,342,328	3,354,595	24,936,186	1,136,154	20,881,422	126,511	453,931
Louisiana...........	1,644,979	4,229,245	33,071,191	1,449,850	28,111,751	151,982	529,954
Maine...............	488,025	1,155,368	8,698,656	418,654	7,084,108	65,093	249,268
Maryland............	1,995,849	4,555,799	47,558,988	1,750,954	40,335,140	305,238	1,009,167
Massachusetts.......	2,722,247	5,953,060	61,671,995	2,356,725	51,139,848	464,420	1,702,087
Michigan............	3,687,450	8,846,027	82,622,589	3,150,910	71,118,527	563,470	1,652,243
Minnesota...........	1,779,381	4,262,333	37,501,184	1,494,178	31,956,812	277,593	741,500
Mississippi.........	892,402	2,381,390	14,851,519	788,880	12,809,719	65,951	185,326
Missouri............	2,053,771	4,983,834	41,834,149	1,718,416	34,660,520	267,990	1,003,425
Montana.............	339,743	842,948	5,758,469	270,198	4,626,452	51,468	133,706
Nebraska............	674,745	1,671,184	12,147,832	543,807	10,069,618	93,451	241,259
Nevada..............	430,802	971,274	9,085,434	376,407	7,584,574	45,460	195,355
New Hampshire.......	462,335	1,052,678	9,988,865	405,530	8,344,754	70,454	265,783
New Jersey..........	3,675,451	8,555,020	89,340,546	3,201,037	75,690,379	689,227	2,269,956
New Mexico..........	571,773	1,455,538	10,432,983	493,780	8,834,702	64,001	203,293
New York............	7,464,439	17,538,439	177,651,309	6,383,915	143,111,112	1,329,571	5,772,435
North Carolina......	2,565,678	6,080,635	48,412,116	2,291,376	41,196,139	267,179	956,310
North Dakota........	279,934	704,591	4,947,038	217,194	3,791,683	30,489	56,096
Ohio................	4,446,458	10,681,804	93,270,160	3,794,796	79,290,060	631,406	2,035,990
Oklahoma............	1,263,553	3,174,432	26,210,357	1,057,336	21,351,082	116,711	419,362
Oregon..............	1,109,872	2,687,189	21,581,695	908,679	17,488,438	160,883	487,132
Pennsylvania........	4,982,979	11,698,481	101,855,139	4,171,500	83,578,761	803,045	2,690,682
Rhode Island........	429,433	960,463	8,568,791	372,257	7,041,410	61,557	216,796
South Carolina......	1,277,317	3,134,519	23,656,350	1,146,993	20,302,958	114,771	399,709
South Dakota........	283,972	718,880	4,257,329	220,589	3,443,240	34,962	74,311
Tennessee...........	1,872,850	4,560,547	35,085,784	1,644,485	30,296,908	161,731	511,817
Texas...............	6,496,390	16,312,584	145,168,114	5,697,488	122,350,345	690,999	2,783,739
Utah................	581,082	1,643,780	11,789,485	506,856	10,264,958	66,679	196,383
Vermont.............	225,343	523,894	4,126,972	192,524	3,353,959	39,506	150,819
Virginia............	2,424,622	5,616,057	54,403,915	2,137,841	46,163,560	352,374	1,117,665
Washington..........	1,864,365	4,418,897	40,225,585	1,567,647	33,236,211	281,359	825,597
West Virginia.......	664,129	1,694,690	12,681,869	561,978	10,552,624	70,470	228,527
Wisconsin...........	1,999,972	4,789,147	39,810,558	1,693,936	33,752,634	298,598	861,136
Wyoming.............	207,546	521,993	4,372,968	178,774	3,777,118	26,153	92,381
Other areas[3]........	469,018	1,028,034	5,058,643	271,346	10,746,816	85,232	368,357

Table 2. (Continued) — Individual Income and Tax by State, 1984
[Money amounts are in thousands of dollars]

State	Interest		Unemployment compensation in AGI		Itemized Deductions		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total Deductions	Average amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total[2]	61,764,997	176,077,712	4,433,578	5,941,097	38,803,369	357,953,970	9,225
Alabama............	734,673	1,690,765	74,868	67,077	554,890	4,225,055	7,614
Alaska.............	149,113	283,085	25,136	46,049	93,000	1,051,437	11,306
Arizona............	764,274	2,535,925	31,619	33,965	575,399	5,334,988	9,272
Arkansas...........	439,409	1,346,519	35,122	33,854	263,815	2,046,016	7,755
California.........	6,932,440	22,990,669	498,303	696,556	4,900,602	57,669,065	11,768
Colorado...........	917,793	2,415,561	49,442	67,974	660,809	6,583,216	9,962
Connecticut........	1,122,224	2,974,001	70,970	78,958	590,781	5,864,975	9,927
Delaware...........	166,224	388,021	13,203	16,701	112,369	992,000	8,828
District of Columbia	152,386	429,500	6,159	10,147	125,205	1,337,924	10,686
Florida............	2,877,667	12,514,788	86,162	107,238	1,645,345	15,198,557	9,237
Georgia............	1,154,971	2,835,725	90,495	68,200	847,039	7,810,394	9,221
Hawaii.............	336,810	722,525	19,483	30,925	189,399	1,852,314	9,780
Idaho..............	232,642	653,898	22,346	28,600	148,914	1,228,345	8,249
Illinois...........	3,238,496	9,664,419	239,861	397,697	1,880,875	16,186,085	8,606
Indiana............	1,396,756	3,519,319	104,306	102,314	754,052	5,731,069	7,600
Iowa...............	858,859	2,755,526	56,801	67,475	481,774	3,537,273	7,342
Kansas.............	666,179	2,090,323	39,208	45,791	405,123	3,379,652	8,342
Kentucky...........	729,630	1,950,357	73,897	76,275	490,420	3,624,231	7,390
Louisiana..........	833,107	2,369,123	85,416	145,280	535,576	4,615,720	8,618
Maine..............	306,169	623,087	20,541	20,920	144,804	1,098,377	7,585
Maryland...........	1,272,504	2,951,296	69,046	92,992	938,285	9,261,934	9,871
Massachusetts......	1,952,674	4,489,950	114,388	164,808	1,071,732	9,386,369	8,758
Michigan...........	2,475,017	5,619,090	270,855	375,626	1,737,787	14,488,031	8,337
Minnesota..........	1,292,880	3,214,151	84,973	134,641	889,916	8,111,663	9,115
Mississippi........	379,014	1,041,341	33,800	31,986	259,001	2,065,620	7,975
Missouri...........	1,294,489	3,866,987	85,183	71,027	730,339	5,754,817	7,880
Montana............	227,268	705,501	18,718	25,003	128,060	957,008	7,473
Nebraska...........	464,074	1,463,991	19,892	20,622	232,763	1,913,057	8,219
Nevada.............	231,857	780,392	21,331	27,165	152,867	1,494,879	9,779
New Hampshire......	315,819	684,510	17,650	17,141	148,399	1,243,640	8,380
New Jersey.........	2,450,145	6,573,756	166,338	260,509	1,434,792	13,713,251	9,558
New Mexico.........	302,271	821,022	15,463	18,815	186,565	1,538,830	8,248
New York...........	5,076,747	15,594,028	303,523	458,622	3,471,167	34,788,324	10,022
North Carolina.....	1,342,650	2,969,664	116,104	86,124	949,983	7,581,697	7,981
North Dakota.......	197,554	623,657	12,352	18,578	85,253	650,117	7,626
Ohio...............	2,860,906	7,082,159	230,337	349,611	1,611,069	13,455,573	8,352
Oklahoma...........	702,219	2,309,429	40,926	51,672	509,140	4,658,308	9,149
Oregon.............	731,949	2,142,371	67,234	92,619	497,492	4,335,801	8,715
Pennsylvania.......	3,375,360	8,256,718	337,134	523,718	1,748,152	13,671,387	7,820
Rhode Island.......	279,628	708,202	26,733	30,528	152,433	1,263,209	8,287
South Carolina.....	625,438	1,357,682	53,834	41,724	502,822	3,928,001	7,812
South Dakota.......	187,514	601,007	5,015	5,118	72,621	526,176	7,246
Tennessee..........	943,603	2,443,557	71,379	62,090	524,811	4,215,953	8,033
Texas..............	3,376,772	11,412,430	158,929	231,376	2,086,406	20,564,440	9,856
Utah...............	371,722	742,977	23,695	30,949	292,239	2,678,298	9,165
Vermont............	150,513	329,092	9,237	10,038	73,808	572,055	7,751
Virginia...........	1,423,743	3,372,886	71,358	64,675	973,200	9,355,648	9,613
Washington.........	1,228,399	3,542,553	126,536	197,926	715,742	6,344,082	8,864
West Virginia......	394,420	902,224	51,829	80,102	173,160	1,317,079	7,606
Wisconsin..........	1,468,345	3,441,301	152,285	203,424	869,584	7,248,391	8,335
Wyoming............	133,674	379,770	10,070	12,603	75,523	630,797	8,352
Other areas[3]........	226,007	900,882	4,093	7,269	108,067	872,842	8,077

Table 2. (Continued) — Individual Income and Tax by State, 1984
[Money amounts are in thousands of dollars]

State	Tax liability			Earned income credit			
	Total tax		Average tax	Number of returns	Amount	Excess of tax liability	
	Number of Returns	Amount				Number of returns	Amount
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
United States, total[2]	84,792,349	314,228,708	3,706	5,817,056	-1,653,907	4,244,270	-1,184,854
Alabama	1,213,417	3,624,991	2,987	152,493	-44,295	114,110	-32,434
Alaska	206,301	1,119,117	5,425	7,633	-2,012	5,069	-1,293
Arizona	1,077,849	3,546,875	3,291	76,747	-22,025	58,035	-16,521
Arkansas	694,900	1,890,354	2,720	86,961	-25,200	62,782	-17,717
California	9,641,659	37,923,424	3,933	680,605	-197,631	536,874	-154,380
Colorado	1,217,322	4,530,134	3,721	59,483	-16,839	42,167	-11,611
Connecticut	1,359,611	6,571,126	4,833	36,832	-10,041	25,545	-6,899
Delaware	236,306	893,486	3,781	14,158	-3,944	10,230	-2,838
District of Columbia	269,308	1,211,412	4,498	23,345	-6,734	18,250	-5,178
Florida	4,164,592	15,842,190	3,804	317,994	-91,648	228,383	-64,440
Georgia	2,009,150	6,637,944	3,304	200,529	-57,686	147,214	-41,547
Hawaii	392,619	1,224,322	3,118	17,085	-4,464	11,188	-2,940
Idaho	306,508	831,955	2,714	25,969	-7,431	17,847	-4,922
Illinois	4,115,059	16,921,715	4,112	236,719	-66,282	177,863	-49,119
Indiana	1,879,545	6,451,411	3,432	119,455	-33,527	85,495	-23,562
Iowa	975,559	2,955,652	3,030	59,511	-16,080	37,324	-9,528
Kansas	866,725	3,101,764	3,579	45,466	-12,557	30,491	-8,202
Kentucky	1,115,961	3,401,332	3,048	112,879	-32,372	78,702	-21,871
Louisiana	1,349,395	4,940,774	3,661	171,674	-49,246	131,653	-36,976
Maine	411,639	1,115,650	2,710	28,404	-7,968	19,011	-5,137
Maryland	1,742,179	7,498,313	4,304	84,822	-23,692	60,739	-16,749
Massachusetts	2,392,328	9,493,934	3,968	81,529	-22,853	57,245	-15,809
Michigan	3,131,703	11,765,561	3,757	151,138	-42,106	109,607	-29,869
Minnesota	1,528,293	4,948,611	3,238	70,342	-19,413	45,475	-11,637
Mississippi	709,395	1,908,928	2,691	137,867	-40,195	107,879	-30,617
Missouri	1,740,013	6,143,123	3,531	121,944	-34,177	84,917	-23,098
Montana	275,224	792,900	2,881	22,803	-6,335	15,490	-4,122
Nebraska	566,719	1,726,049	3,046	34,957	-9,572	22,117	-5,706
Nevada	368,593	1,417,961	3,847	20,928	-5,894	15,187	4,226
New Hampshire	403,276	1,496,998	r3,712	14,929	-4,092	9,710	-2,612
New Jersey	3,254,296	14,139,138	4,345	148,258	-41,352	106,635	-29,837
New Mexico	460,255	1,401,155	3,044	53,458	-14,952	41,170	-11,337
New York	6,518,246	26,999,427	4,142	419,762	-120,170	308,521	-86,704
North Carolina	2,172,911	6,331,115	2,914	196,299	-55,328	134,970	37,634
North Dakota	236,393	702,361	2,971	15,592	-4,213	9,270	-2,330
Ohio	3,791,923	13,066,043	3,446	208,330	-57,937	149,950	-40,874
Oklahoma	1,061,346	3,912,753	3,687	88,340	-25,668	62,964	-17,702
Oregon	930,945	2,792,315	2,999	60,188	-17,227	43,272	-12,019
Pennsylvania	4,246,134	15,100,412	3,556	227,307	-63,280	160,290	-43,912
Rhode Island	370,423	1,176,704	3,177	18,284	-5,106	13,131	-3,643
South Carolina	1,066,420	2,973,792	2,789	112,554	-32,293	82,146	-23,302
South Dakota	229,962	593,135	2,579	21,378	-5,824	13,203	-3,312
Tennessee	1,563,224	4,925,824	3,151	164,358	-47,062	118,213	-33,105
Texas	*5,462,932*	*24,076,502*	*4,407*	486,404	-141,089	367,373	-104,976
Utah	487,233	1,400,287	2,874	28,291	-8,011	20,193	-5,561
Vermont	192,569	542,700	2,818	11,977	-3,275	7,780	-2,034
Virginia	2,103,563	7,763,991	3,691	116,596	-32,684	80,215	-22,352
Washington	1,594,103	5,887,949	3,694	80,909	-22,576	58,232	-15,896
West Virginia	556,564	1,697,656	3,050	52,349	-14,485	38,177	-10,522
Wisconsin	1,690,730	5,193,758	3,072	79,776	-21,825	53,823	-14,014
Wyoming	175,503	671,805	3,828	10,011	-2,838	6,973	-1,889
Other areas[3]	265,526	951,880	3,585	1,434	-401	1,170	-340

See notes following Table 13.

Table 3. — Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980-1984
[All figures are estimates based on samples — money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns for -		Total adjusted gross income		Taxable income	
	1981	1982	1981	1982	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
Total	95,396,123	95,337,432	1,772,604,303	1,852,135,465	1,410,880,665	1,473,348,899
Less than $1000	3,484,734	3,412,105	-16,952,842	-22,324,833	7,084	29,646
$1,000 under $3,000	7,855,771	7,573,825	15,691,845	15,122,101	7,064,102	6,717,217
$3,000 under $5,000	7,405,871	6,966,104	29,580,649	27,925,256	17,994,684	17,168,389
$5,000 under $7,000	7,251,941	6,682,490	43,446,800	39,885,078	29,153,117	26,709,472
$7,000 under $9,000	7,066,520	7,176,962	56,341,030	57,512,193	40,597,471	40,904,714
$9,000 under $11,000	6,514,144	6,421,665	65,051,373	64,229,520	49,147,621	47,995,843
$11,000 under $13,000	5,821,233	5,651,414	69,702,815	67,793,416	54,207,411	52,526,932
$13,000 under $15,000	5,190,200	5,414,103	72,548,282	75,702,223	57,705,230	59,652,891
$15,000 under $17,000	4,648,986	4,734,479	74,256,678	75,594,637	59,486,499	60,951,455
$17,000 under $19,000	4,291,557	3,964,008	77,161,287	71,295,728	62,056,343	57,689,594
$19,000 under $22,000	5,967,094	5,365,925	122,157,450	109,806,080	98,703,455	88,855,846
$22,000 under $25,000	5,207,693	5,273,703	122,181,884	123,853,268	98,956,187	100,054,304
$25,000 under $30,000	7,205,282	7,621,965	197,424,953	209,572,367	159,682,521	169,726,189
$30,000 under $35,000	5,294,687	5,646,966	171,601,299	182,644,120	138,893,019	146,947,632
$35,000 under $40,000	3,910,649	4,215,650	145,814,841	157,391,914	118,288,891	126,471,828
$40,000 under $50,000	4,182,389	4,716,532	185,322,655	208,952,374	149,273,745	166,018,176
$50,000 under $75,000	2,796,836	3,057,266	164,256,670	179,566,469	131,174,316	141,376,967
$75,000 under $100,000	645,884	702,064	55,099,048	59,748,095	43,524,621	46,720,423
$100,000 under $150,000	398,479	432,757	47,552,689	51,674,638	37,518,693	40,228,978
$150,000 under $200,000	118,037	138,082	20,164,437	23,616,649	15,842,213	18,710,797
$200,000 under $300,000	80,945	93,033	19,350,168	22,323,087	15,230,276	17,807,227
$300,000 under $500,000	37,147	47,245	13,906,555	17,650,665	10,788,043	14,153,358
$500,000 under $1,000,000	14,758	20,681	9,815,188	13,830,843	7,416,993	11,042,159
$1,000,000 or more	5,286	8,408	11,128,551	18,769,578	8,168,130	14,888,860

Size of adjusted gross income	Total income tax[1]		Percent of filers with no income tax liability		Filers with income tax liability			
					Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	1981	1982	1981	1982	1981	1982	1981	1982
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	284,128,989	277,597,301	19.6	19.2	3,703	3,604	16.5	15.4
Less than $1,000	137,840	130,288	99.5	99.6	8,626[2]	9,298[2]	-	-
$1,000 under $3,000 ....,	43,465	35,182	95.5	95.0	123	92	6.0	5.0
$3,000 under $5,000	516,050	475,448	41.7	41.9	120	117	2.9	2.8
$5,000 under $7,000	1,761,464	1,473,139	32.0	31.4	357	321	5.9	5.4
$7,000 under $9,000	3,306,387	2,967,854	18.1	20.7	571	521	7.1	6.5
$9,000 under $11,000	5,150,823	4,462,848	5.2	6.8	834	746	8.3	7.4
$11,000 under $13,000	6,531,708	5,566,452	3.2	4.0	1,160	1,026	9.7	8.6
$13,000 under $15,000	7,601,053	7,002,695	2.2	2.3	1,498	1,324	10.7	9.5
$15,000 under $17,000	8,355,068	7,766,398	1.8	1.5	1,830	1,665	11.5	10.4
$17,000 under $19,000 M	9,226,778	7,786,372	1.3	1.8	2,179	2,001	12.1	11.1
$19,000 under $22,000	15,609,261	12,725,118	1.1	1.2	2,645	2,399	12.9	11.7
$22,000 under $25,000	16,563,264	15,378,094	.9	1.3	3,209	2,956	13.7	12.6
$25,000 under $30,000	28,474,945	27,852,640	.6	.6	3,976	3,676	4.5	13.4
$30,000 under $35,000	26,910,961	25,867,035	.4	.5	5,103	4,605	15.7	14.2
$35,000 under $40,000	24,834,220	24,098,091	.3	.5	6,370	5,743	17.1	15.4
$40,000 under $50,000	34,847,163	35,029,801	.6	.5	8,379	7,468	18.9	16.9
$50,000 under $75,000	36,299,454	35,892,383	.5	.5	13,050	11,803	22.2	20.1
$75,000 under $100,000	14,715,265	14,594,818	.4	.4	22,867	20,865	26.8	24.5
$100,000 under $150,000	14,619,378	14,385,740	.4	.2	36,828	33,321	30.9	27.9
$150,000 under $200,000	6,886,418	7,483,155	.2	.5	58,439	54,447	34.2	31.8
$200,000 under $300,000	7,183,611	7,651,434	.2	.2	88,930	82,400	37.2	34.3
$300,000 under $500,000	5,566,282	6,380,687	.1	.1	149,990	135,233	40.1	36.2
$500,000 under $1,000,000	4,100,676	5,222,845	.1	.1	278,182	252,751	41.8	37.7
$1,000,000 or more	4,887,456	7,368,787	.1	.1	925,655	877,132	44.0	39.8

M - The median taxpayer was at this income level for both 1981 and 1982.
See notes following Table 13.

Table 3. (Continued) — Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980-1984

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns for -		Total adjusted gross income		Taxable income	
	1983	1984	1983	1984	1983	1984
	(1)	(2)	(3)	(4)	(5)	(6)
Total	96,321,310	99,604,775	1,942,589,865	2,157,738,100	1,544,872,497	1,714,704,713
Less than $1000	3,415,113	3,278,975	-25,592,802	-26,109,811	75,549	64,884
$1,000 under $3,000	7,253,408	6,890,411	14,482,816	13,751,393	6,757,833	6,507,635
$3,000 under $5,000	7,167,924	7,032,446	28,679,137	28,152,974	17,374,119	17,271,968
$5,000 under $7,000	6,734,360	6,565,774	40,321,353	39,523,643	26,472,290	26,014,718
$7,000 under $9,000	6,879,931	6,812,151	55,039,361	54,559,537	39,153,168	39,067,656
$9,000 under $11,000	6,205,165	6,061,321	61,927,394	60,493,249	46,314,016	45,417,768
$11,000 under $13,000	5,724,798	5,901,813	68,522,507	70,736,780	52,529,347	54,893,643
$13,000 under $15,000	5,161,674	5,197,424	72,217,107	72,584,936	57,062,111	57,495,219
$15,000 under $17,000	4,593,795	4,900,929	73,350,227	78,332,833	58,956,588	62,677,123
$17,000 under $19,000	4,291,218	4,582,056	77,093,374	82,376,790	62,209,794	56,684,601
$19,000 under $22,000	5,617,176	5,658,572	115,071,603	115,720,698	93,320,322	94,147,757
$22,000 under $25,000	5,115,957	5,231,897	120,238,524	122,896,184	97,650,110	99,988,956
$25,000 under $30,000	7,357,487	7,634,031	201,763,983	209,242,505	163,111,031	168,164,357
$30,000 under $35,000	6,011,290	6,036,828	194,666,035	195,775,367	156,601,086	156,344,474
$35,000 under $40,000	4,409,645	5,068,249	164,664,066	189,459,156	131,804,272	149,986,805
$40,000 under $50,000	5,147,782	5,995,701	228,225,122	266,380,033	181,289,066	211,664,655
$50,000 under $75,000	3,591,188	4,693,361	211,838,450	276,860,739	166,095,719	216,599,559
$75,000 under $100,000	822,840	1,040,069	70,011,841	88,468,300	54,345,021	68,583,236
$100,000 under $150,000	469,391	587,089	56,206,333	69,896,419	43,403,109	54,429,697
$150,000 under $200,000	152,560	183,413	26,170,484	31,391,169	20,312,767	24,437,255
$200,000 under $300,000	108,379	139,230	26,016,239	33,382,892	20,642,936	25,844,731
$300,000 under $500,000	53,960	64,467	20,144,746	24,231,723	15,959,347	19,464,852
$500,000 under $1,000,000	25,469	31,906	17,173,250	21,516,047	13,706,293	17,516,453
$1,000,000 or more	10,800	16,662	24,358,715	38,114,546	19,726,601	31,436,700

Size of adjusted gross income	Total income tax[1]		Percent of filers with no income tax liability		Filers with income tax liability			
					Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	1983	1984	1983	1984	1983	1984	1983	1984
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	274,181,323	303,969,892	19.0	17.8	3,514	3,714	14.5	14.4
Less than $1,000	127,789	267,637	99.7	99.3	13,249	12,159	-	-
$1,000 under $3,000	51,414	44,300	93.4	94.0	108	108	5.7	5.6
$3,000 under $5,000	409,533	400,358	42.0	40.9	99	96	2.4	2.3
$5,000 under $7,000	1,310,055	1,221,833	33.7	33.8	293	281	4.9	4.7
$7,000 under $9,000	2,603,057	2,498,634	21.2	21.4	480	466	6.0	5.8
$9,000 under $11,000	3,888,167	3,607,037	8.3	8.1	684	648	6.8	6.5
$11,000 under $13,000	5,012,113	5,015,521	4.2	5.2	914	896	7.6	7.5
$13,000 under $15,000	6,066,527	5,840,591	2.7	3.4	1,208	1,163	8.6	8.3
$15,000 under $17,000	6,809,411	6,795,942	2.4	2.0	1,518	1,415	9.5	8.9
$17,000 under $19,000	7,664,811	7,816,144	1.6	1.6	1,816	1,734	10.1	9.6
$19,000 under $22,000 M.	12,163,958	11,691,443	1.2	1.4	2,192	2,096	10.7	10.3
$22,000 under $25,000	13,595,791	13,263,786	1.3	1.0	2,692	2,561	11.5	10.9
$25,000 under $30,000	24,354,551	23,775,891	.8	1.1	3,338	3,149	12.2	11.5
$30,000 under $35,000	25,156,554	23,997,538	.6	.7	4,208	4,004	13.0	12.3
$35,000 under $40,000	22,673,889	24,769,659	.8	.5	5,182	4,913	13.9	13.1
$40,000 under $50,000	34,798,186	38,853,114	.4	.2	6,787	6,496	15.3	14.6
$50,000 under $75,000	38,352,897	47,579,080	.4	.2	10,725	10,159	18.2	17.2
$75,000 under $100,000	15,392,973	18,542,734	.3	.3	18,770	17,887	22.1	21.0
$100,000 under $150,000	14,351,743	17,193,671	.4	.2	30,690	29,341	25.6	24.6
$150,000 under $200,000	7,662,455	8,685,627	.3	.2	50,365	47,427	29.4	27.7
$200,000 under $300,000	8,488,945	10,436,640	.2	.3	78,513	75,183	32.7	31.4
$300,000 under $500,000	7,124,258	8,425,952	.2	.2	132,313	131,029	35.4	34.9
$500,000 under $1,000,000	6,463,482	8,079,442	.2	.2	254,228	253,799	37.7	37.6
$1,000,000 or more	9,658,764	15,167,318	.3	.2	896,655	911,991	39.8	39.9

M - The median taxpayer was at this income level.
See notes following Table 13.

Table 4.—Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Years, 1970-1984
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1980	1982	1983	1984 (Preliminary)
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	5,769,741	7,221,346	8,931,712[1]	10,105,515[1]	10,703,921[1]	11,262,390[1]
Number with net income	n.a.	n.a.	n.a.	6,761,405	7,390,395	8,002,865
Inventory, end of year	11,060,775	15,578,040	21,996,236	21,804,915	n.a.	23,232,929
Business receipts, total	198,582,172	273,954,741	411,205,713	433,664,897	465,168,537	516,036,944
Income from sales and operations	n.a.	272,342,560	407,169,299	428,311,840	455,382,492	507,234,292
Total deductions	168,044,746	234,318,288	356,258,495	383,091,734	404,808,647	445,270,334
Cost of goods sold/operations	109,148,811	146,261,435	209,889,809	205,471,499	212,631,063	229,905,960
Purchases	88,585,913	117,722,352	168,301,517	161,295,256	n.a.	n.a.
Cost of labor	7,704,285	8,791,083	10,922,221	11,424,639	9,870,673	13,008,803
Materials and supplies	6,216,057	9,090,638	12,909,222	12,735,789	n.a.	n.a.
Commissions	1,274,016	2,225,830	3,333,345	4,464,026	n.a.	n.a.
Net salaries and wages	15,107,047	20,227,859	26,560,821	30,403,121	31,665,698	34,686,204
Car and truck expenses	n.a.	n.a.	13,378,289	n.a.	14,758,472	17,523,807
Rent paid	4,636,528	6,676,314	9,636,290	11,797,053	11,830,835	14,278,260
Repairs	2,444,607	3,044,175	5,031,573	6,006,403	n.a.	n.a.
Taxes paid	3,775,502	5,423,961	7,672,459	7,747,540	n.a.	n.a.
Utilities	n.a.	n.a.	4,790,337	n.a.	n.a.	n.a.
Insurance	2,309,608	3,503,812	6,003,126	6,448,494	n.a.	n.a.
Interest paid	1,784,276	3,390,845	7,190,257	10,143,489	9,925,746	11,025,276
Depreciation	5,451,525	7,958,143	13,952,703	19,121,559	22,069,530	23,900,034
Pension and profit sharing plans	72,741	125,296	141,463	136,359	122,915	258,070
Net income (less loss)	30,537,426	36,636,453	54,947,219	50,573,164	60,359,153	70,766,610
Net income, businesses w/profit	33,735,732	45,624,890	68,010,051	68,647,384	78,618,410	89,849,570
Net loss, businesses w/o profit	3,198,306	5,988,437	13,062,832	18,094,220	18,259,256	19,082,960

See notes following Table 13.

Table 5.—Partnership Returns: Selected Income Statement and Balance Sheet Items for Selected Years, 1970-1983
[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
Total number of active partnerships	936,133	1,073,094	1,379,654	1,460,502	1,514,212	1,541,539
Number with net income	639,795	661,134	774,173	749,222	791,117	783,968
Number with balance sheets	555,741	783,271	1,194,236	1,193,792	1,217,386	1,190,696
Number of partners	3,697,818	4,950,634	8,419,899	9,448,361	9,764,667	10,589,338
Total assets[1]	116,752,751	235,468,301	597,503,923	715,232,726	845,281,449	886,992.767
Buildings/depreciable assets (net)	n.a.	113,124,969	239,139,823	367,270,152	310,846,376	485,402,717
Inventories, end of year	n.a.	11,985,431	33,218,272	59,649,950	100,728,688	n.a.
Land	n.a.	36,731,958	70,241,248	76,336,446	84,820,308	98,427,459
Total liabilities	n.a.	193,875,629	488,734,023	580,033,757	701,630,766	886,992,774
Accounts payable	n.a.	12,302,055	33,899,048	29,092,451	37,254,748	34,724,772
Short-term debt[2]	n.a.	22,709,476	48,001,839	55,691,914	73,277,805	67,294,519
Long-term debt[3]	n.a.	136,296,764	178,044,406	196,508,937	236,218,378	268,268,458
Nonrecourse loans	n.a.	n.a.	118,910,380	138,134,304	154,508,961	194,828,542
Partners' capital accounts	n.a.	41,592,672	108,769,900	135,198,969	143,650,646	141,839,683
Total receipts	93,348,080	148,417,529	291,998,115	272,129,807	296,690,303	291,318,703
Business receipts[4]	90,208,834	142,505,781	271,108,832	230,027,336	251,608,987	243,248,370
Interest received	942,304	2,477,173	10,869,323	13,772,559	15,259,801	15,006,055
Total deductions[4]	83,557,684	140,679,959	283,749,460	274,864,704	304,004,833	298,928,744
Cost of goods sold/operations	46,040,874	64,672,843	113,885,668	130,043,609	144,595,111	125,330,745
Purchases	31,820,581	42,608,734	70,439,607	92,136,914	96,111.197	n.a.
Cost of labor	4,146,927	4,585,836	7,015,547	5,835,683	7,183,865	n.a.
Salaries and wages[4]	8,129,233	12,489,039	22,336,337	21,136,914	23,204,883	24,733,780
Taxes paid	3,159,258	5,770,918	9,553,145	5,040,336	5,283,971	5,909,545
Interest paid[4]	4,470,206	12,097,100	28,362,385	19,586,018	21,517,044	22,364,264
Depreciation[4,5]	4,578,820	10,108,834	21,576,189	27,263,184	32,361,640	37,340,062
Net income (less loss)	9,790,396	7,737,570	8,248,655	-2,734,897	-7,314,587	-2,610,041
Net income, businesses w/profit	14,419,124	22,431,931	45,061,756	50,567,190	53,556,856	60,308,114
Net loss, businesses w/o profit	4,628,728	14,694,361	36,813,100	53,302,086	60,871,442	62,918,155

See notes following Table 13.

Table 6.—Number of Business Income Tax Returns, by Size of Receipts and Assets, for Selected Years, 1970-1983
[All figures are estimates based on samples — number of businesses are in thousands]

Size of business	Number of businesses reporting					
	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
CORPORATIONS						
Receipt size[1]						
Under $25,000[2]	451.9	468.9	557.0	585.3	620.0	629.2
$25,000 - $49,999	170.7	186.4	207.7	210.2	217.5	212.9
$50,000 - $99,999	219.8	260.7	322.7	311.5	324.7	330.0
$100,000 - $249,999	516.9	673.9	558.4	569.1	593.4	597.8
$250,000 - $499,999			367.3	404.4	427.9	444.9
$500,000 - $999,999	141.1	184.2	279.8	291.6	296.0	315.9
$1,000,000 or more	165.0	249.5	417.7	440.3	446.4	468.3
Asset size						
Under $100,000[3]	961.0	1,177.7	1,514.6	1,569.5	1,646.6	1,665.5
$100,000 - $1 million	599.1	704.6	968.9	1,004.1	1,033.5	1,074.7
$1 million - $10 million	87.0	116.4	191.8	201.2	206.5	218.3
$10 million - $25 million	9.8	12.2	16.6	17.5	18.3	18.8
$25 million - $50 million	3.9	5.6	7.8	8.4	8.9	8.9
$50 million - $100 million	2.1	3.1	4.8	5.2	5.5	5.7
$100 million - $250 million	1.4	2.1	3.2	3.4	3.5	3.6
$250 million and over	1.2	1.9	2.9	3.1	3.2	3.4
PARTNERSHIPS						
Receipt size[1]						
Under $25,000	501.7	549.7	638.0	748.2	758.8[4]	763.4[4]
$25,000 - $49,999	125.2	141.0	181.8	163.6	178.1	173.4
$50,000 - $99,999	119.6	133.7	183.6	180.2	190.6	203.7
$100,000 - $199,999	97.2	114.0	155.2	147.1	155.0	154.2
$200,000 - $499,999	65.2	90.6	135.6	131.3	137.8	143.7
$500,000 - $999,999	17.0	25.5	48.1	50.8	52.1	56.0
$1,000,000 or more	10.3	18.6	37.4	39.2	41.9	46.4
Asset size[5]						
Under $25,000	635.7	611.0	541.9	612.5	350.6	360.1
$25,000 - $49,999	80.8	105.9	156.3	154.6	143.8	115.5
$50,000 - $99,999	73.5	106.8	180.2	173.6	186.9	164.6
$100,000 - $249,999	74.7	116.0	219.1	211.5	209.6	207.0
$250,000 - $499,999	33.8	56.9	117.9	122.0	132.2	131.2
$500,000 - $999,999	19.3	35.3	72.1	83.4	83.7	86.3
$1,000,000 or more	18.3	41.2	92.2	103.0	115.9	125.8
NONFARM SOLE PROPRIETORSHIPS						
Receipt size						
Under $2,500	1,894.3	2,299.9	2,783.1	n.a.	2,882.0	2,908.5
$2,500 under $5,000	815.1	959.4	1,158.6	n.a.	1,220.9	1,313.9
$5,000 under $10,000	891.5	1,041.7	1,262.9	n.a.	1,361.4	1,452.3
$10,000 under $25,000	1,137.4	1,325.7	1,711.8	n.a.	1,738.5	1,916.6
$25,000 under $50,000	746.4	849.5	1,079.1	n.a.	1,117.1	1,187.0
$50,000 under $100,000	562.0	644.5	835.6	n.a.	843.6	919.3
$100,000 under 200,000	297.4	380.9	795.8	n.a.	838.3	888.7
$200,000 under $500,000	122.3	209.2		n.a.		
$500,000 under $1,000,000	20.8	35.3	73.9	n.a.	68.1	82.9
$1,000,000 or more	6.6	13.5	29.2	n.a.	35.6	34.9

See notes following Table 13.

Table 7. — Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1983

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Industrial division and items	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total	37,283	56,280	80,883	85,370	91,320	92,125
Number with net income	19,843	33,328	43,827	44,948	47,858	47,636
Total assets	11,909,403	21,177,941	40,738,977	46,081,067	50,409,537	50,292,891
Total liabilities	7,897,335	14,332,992	29,278,042	32,492,648	36,289,615	36,733,559
Total receipts	14,277,707	28,118,514	52,089,915	65,061,959	65,356,911	59,208,642
Business receipts	13,591,763	26,624,149	48,850,056	60,907,045	60,643,550	55,114,507
Interest received	69,742	171,732	476,654	751,553	758,699	580,504
Total deductions	14,209,713	27,369,286	51,418,280	64,735,599	65,442,003	59,386,796
Cost of sales and operations	10,555,539	19,738,447	35,798,332	45,552,234	43,222,379	38,308,491
Interest paid	356,225	797,420	2,184,441	2,738,463	3,048,844	2,866,689
Net income (less loss)	65,295	746,908	673,158	328,308	-86,418	-196,528
Net income, businesses w/profit	493,400	1,493,168	2,464,381	2,551,988	2,528,479	2,499,829
Deficit, businesses w/o profit	428,105	746,260	1,791,222	2,223,679	2,614,897	2,696,357
Income tax before credits	113,115	351,059	533,768	543,280	490,228	430,119
Total income tax after credits[1]	107,023	294,584	422,282	414,448	375,422	313,537
Distributions to stockholders except in own stock	65,824	244,524	304,733	512,027	409,070	172,301
MINING						
Number of returns, total	14,465	14,242	25,576	33,363	36,676	37,066
Number with net income	7,303	8,297	12,698	17,634	15,950	15,526
Total assets	23,972,812	64,505,341	126,947,880	168,908,241	192,380,473	194,417,434
Total liabilities	10,590,991	31,739,651	72,879,732	98,442,207	112,503,993	108,814,978
Total receipts	17,747,750	65,909,994	176,672,390	200,194,751	203,098,557	132,419,750
Business receipts	16,699,586	63,670,496	167,397,918	189,552,446	191,152,749	122,510,903
Interest received	176,728	522,757	1,301,266	2,432,908	2,695,216	2,474,270
Total deductions	15,927,348	42,348,765	169,051,624	195,021,576	203,045,736	134,305,739
Cost of sales and operations	9,955,600	30,171,612	116,989,880	150,193,394	151,521,066	85,540,564
Interest paid	388,032	1,166,182	3,440,080	6,051,461	7,623,777	6,763,864
Net income (less loss)	1,834,315	23,574,833	7,750,561	5,620,746	543,578	-1,586,098
Net income, businesses w/profit	2,399,507	24,347,893	10,133,685	10,611,609	8,429,100	5,929,343
Deficit, businesses w/o profit	565,192	773,060	2,383,124	4,990,863	7,885,522	7,515,441
Income tax before credits	1,031,550	11,361,037	3,947,569	4,119,612	3,203,406	2,100,692
Total income tax after credits[1]	342,928	1,051,138	1,672,492	1,685,491	1,044,556	722,353
Distributions to stockholders except in own stock	1,177,550	1,015,895	4,757,780	3,278,771	3,926,230	2,710,318
CONSTRUCTION						
Number of returns, total	138,905	191,219	272,432	276,395	282,345	283,519
Number with net income	82,078	108,852	150,368	145,206	138,783	150,138
Total assets	42,719,792	76,691,947	132,939,026	150,764,144	153,085,046	161,365,795
Total liabilities	30,900,188	57,662,870	100,112,852	113,695,252	114,150,550	119,825,113
Total receipts	90,610,644	146,955,117	267,205,356	280,172,375	281,747,868	290,798,843
Business receipts	88,945,385	143,412,715	260,387,692	270,543,236	271,633,721	280,896,210
Interest received	219,698	614,583	2,073,650	3,122,737	3,137,599	2,579,301
Total deductions	89,070,022	144,717,309	262,116,275	276,744,601	279,555,128	288,574,577
Cost of sales and operations	73,434,969	116,845,554	208,064,925	214,612,975	212,698,363	221,189,268
Interest paid	711,496	1,973,244	4,278,502	5,318,285	5,455,056	4,861,075
Net income (less loss)	1,538,418	2,236,262	5,271,209	3,455,058	2,323,952	2,265,564
Net income, businesses w/profit	2,548,013	4,514,864	8,911,143	8,295,947	8,106,061	7,990,419
Deficit, businesses w/o profit	1,009,595	2,278,602	3,639,934	4,840,889	5,782,109	5,724,855
Income tax before credits	776,979	1,320,196	2,521,507	2,316,708	2,069,718	1,859,927
Total income tax after credits[1]	756,637	1,131,960	1,973,614	1,868,113	1,578,992	1,393,042
Distributions to stockholders except in own stock	299,204	464,553	793,764	889,557	916,690	846,579
MANUFACTURING						
Number of returns, total	197,807	217,354	242,550	251,294	259,106	261,92
Number with net income	120,814	136,839	153,640	149,964	146,415	152,30
Total assets	612,912,516	944,581,970	1,709,471,700	1,933,710,383	2,060,710,683	2,232,987,92
Total liabilities	303,989,223	501,994,296	960,284,926	1,085,493,079	1,163,839,539	1,279,879,18
Total receipts	722,952,890	1,296,359,650	2,404,323,844	2,613,512,581	2,488,331,915	2,552,830,71
Business receipts	700,090,661	1,258,338,650	2,301,056,550	2,487,695,859	2,357,973,059	2,418,344,30
Interest received	4,748,499	8,691,092	28,315,784	38,848,407	38,134,480	37,677,71
Total deductions	692,455,462	1,230,689,496	2,290,593,808	2,509,134,569	2,423,254,936	2,469,257,72
Cost of sales and operations	495,879,549	925,111,030	1,707,143,900	1,822,985,043	1,660,537,002	1,678,378,72
Interest paid	12,570,242	22,055,903	54,177,356	73,084,336	79,322,435	73,973,08
Net income (less loss)	31,846,078	68,406,627	125,667,815	116,775,393	75,791,264	95,330,96
Net income, businesses w/profit	37,925,489	74,466,554	141,547,510	138,215,539	108,170,744	124,417,49
Deficit, businesses w/o profit	6,079,411	6,059,927	15,879,695	21,440,146	32,379,481	29,086,52
Income tax before credits	16,744,905	32,306,739	59,577,413	58,820,480	45,015,096	50,950,87
Total income tax after credits[1]	13,242,226	21,024,964	32,701,861	30,115,496	26,616,529	24,960,64
Distributions to stockholders except in own stock	14,616,282	19,973,061	37,306,509	41,434,134	43,912,134	43,295,90

able 7. (Continued) — Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for lected Years, 1970-1983

ll figures are estimates based on samples — money amounts are in thousands of dollars]

Industrial division and items	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total	67,398	80,701	111,324	109,127	115,470	122,567
Number with net income	38,204	45,360	62,232	56,480	59,793	61,588
Total assets	287,740,207	443,236,797	758,364,400	837,300,816	919,861,069	998,870,785
Total liabilities	166,535,185	266,792,390	467,708,707	516,438,230	566,980,444	604,586,653
Total receipts	135,495,271	243,480,637	523,807,396	598,507,994	632,294,442	657,421,487
Business receipts	131,463,171	234,689,427	507,372,820	575,602,089	606,039,657	627,836,585
Interest received	930,266	1,520,913	5,760,072	8,048,746	9,138,892	9,425,382
Total deductions	127,931,131	233,409,166	503,954,285	579,172,068	614,397,320	638,194,372
Cost of sales and operations	77,743,359	143,932,463	336,868,172	358,354,512	338,796,961	339,191,696
Interest paid	7,364,200	13,761,062	27,638,591	34,085,384	36,839,460	36,787,550
Net income (less loss)	7,543,718	10,099,571	20,046,155	19,573,717	18,335,959	19,492,314
Net income, businesses w/profit.	9,471,595	12,088,189	24,917,293	25,739,287	27,378,633	28,040,349
Deficit, businesses w/o profit.	1,927,877	1,988,618	4,871,138	6,165,570	9,042,673	8,548,036
Income tax before credits	4,342,334	5,107,158	10,532,722	10,481,203	11,356,073	11,621,625
Total income tax after credits[1]	4,036,650	2,836,470	5,322,990	5,065,529	4,925,936	5,429,973
Distributions to stockholders except in own stock	5,837,565	8,900,353	17,329,807	19,622,705	21,438,500	24,540,824
WHOLESALE AND RETAIL TRADE						
Number of returns, total	518,062	614,632	799,628	816,836	839,547	851,785
Number with net income	339,987	399,668	487,300	476,877	468,108	492,057
Total assets	192,181,800	323,496,726	646,901,005	708,060,408	753,351,132	804,242,963
Total liabilities	115,179,668	200,846,992	424,611,318	472,256,895	501,934,034	539,020,572
Total receipts	522,547,923	969,938,872	1,955,523,778	2,039,628,384	2,017,701,364	2,119,444,862
Business receipts	511,316,883	951,463,550	1,919,347,689	1,997,262,710	1,972,305,356	2,071,264,407
Interest received	1,291,906	3,857,318	10,503,989	14,319,277	14,373,589	14,522,800
Total deductions	512,910,193	947,511,780	1,919,454,218	2,006,891,471	1,989,739,286	2,084,482,953
Cost of sales and operations	392,391,856	745,299,204	1,538,128,634	1,594,256,679	1,556,263,179	1,626,952,423
Interest paid	4,309,663	8,587,173	25,645,855	30,997,865	30,429,310	27,598,584
Net income (less loss)	9,671,044	22,489,430	38,309,671	33,320,403	28,442,678	35,292,870
Net income, businesses w/profit.	12,395,411	27,681,721	49,426,500	47,657,374	45,747,936	50,844,081
Deficit, businesses w/o profit.	2,724,367	5,192,291	11,116,829	14,336,971	17,305,258	15,551,210
Income tax before credits	4,476,047	8,103,316	13,515,653	12,329,212	11,372,087	12,910,870
Total income tax after credits[1]	4,237,181	7,348,619	10,550,255	10,282,598	9,379,328	10,653,391
Distributions to stockholders except in own stock	2,068,501	5,029,897	10,343,087	10,034,841	12,069,015	12,722,120
FINANCE, INSURANCE AND REAL ESTATE						
Number of returns, total	406,235	411,846	493,426	469,795	461,630	479,656
Number with net income	248,586	243,409	273,853	258,622	252,689	269,267
Total assets	1,401,153,520	2,321,965,956	4,022,206,073	4,486,191,441	4,987,466,401	5,487,225,439
Total liabilities	1,204,673,072	2,052,195,429	3,491,664,756	3,830,001,863	4,220,527,191	4,670,418,974
Total receipts	177,321,173	315,795,981	697,460,846	877,808,946	949,867,877	902,822,472
Business receipts	92,091,887	157,126,715	256,892,475	330,631,846	337,493,098	362,627,365
Interest received	63,694,046	127,040,303	315,146,115	421,159,015	456,333,537	439,387,426
Total deductions	161,630,060	297,963,817	652,637,787	838,764,803	915,164,762	856,678,689
Cost of sales and operations	48,434,362	84,614,209	129,644,330	162,447,596	169,435,694	172,818,057
Interest paid	34,548,509	77,677,659	219,167,684	314,128,780	340,960,344	310,356,963
Net income (less loss)	12,214,079	11,663,330	33,122,792	26,346,494	21,804,088	31,714,771
Net income, businesses w/profit.	15,081,939	18,825,003	46,040,390	53,018,005	57,745,075	601,135,503
Deficit, businesses w/o profit.	2,867,860	7,161,673	12,917,599	26,671,510	35,940,986	28,398,732
Income tax before credits	4,404,449	5,558,647	9,680,755	7,968,422	7,643,631	8,540,701
Total income tax after credits[1]	4,150,009	4,673,705	7,698,134	6,037,489	5,497,997	5,696,723
Distributions to stockholders except in own stock	7,387,211	8,729,977	24,692,146	41,998,295	46,504,963	41,592,101
SERVICES						
Number of returns, total	281,218	435,672	671,338	752,813	819,706	848,394
Number with net income	150,525	249,641	408,716	441,100	472,799	481,888
Total assets	61,875,140	90,534,067	178,163,737	213,724,531	237,876,895	269,797,251
Total liabilities	42,346,078	63,678,693	125,298,224	152,673,683	170,091,510	195,086,592
Total receipts	69,572,626	131,377,364	279,883,187	346,846,723	380,767,394	416,462,427
Business receipts	66,459,515	125,747,462	266,088,619	328,053,889	355,090,610	392,064,594
Interest received	435,070	875,506	3,269,412	4,696,008	5,120,807	4,596,725
Total deductions	68,384,452	127,996,443	271,792,974	338,790,049	373,717,841	410,486,562
Cost of sales and operations	37,733,747	63,724,869	129,352,692	157,886,393	135,273,962	143,277,759
Interest paid	1,802,802	3,279,438	8,033,612	10,472,892	11,265,412	11,798,141
Net income (less loss)	1,198,703	3,396,744	8,193,903	8,197,916	7,199,258	6,002,928
Net income, businesses w/profit.	3,384,869	6,025,592	13,246,601	15,182,552	16,061,222	16,959,225
Deficit, businesses w/o profit.	2,186,166	2,628,848	5,052,698	6,984,635	8,861,964	10,956,298
Income tax before credits	1,058,264	1,625,093	3,497,265	4,029,725	3,885,618	3,779,735
Total income tax after credits[1]	1,003,130	1,323,637	2,613,888	2,943,149	2,617,390	2,673,706
Distributions to stockholders except in own stock	558,452	855,402	1,841,945	2,491,324	3,269,285	2,407,362

See notes following Table 13.

Table 8. — Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970-1983

[All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	1,665,477	2,023,647	2,710,538	2,812,420	2,925,933	2,999,071
Number with net income	1,008,337	1,226,208	1,596,632	1,597,298	1,608,363	1,676,288
Small Business Corp. returns	257,475	358,413	545,389	541,489	564,219	648,267
DISC returns	N/A	6,431	8,665	9,408	9,663	9,898
Total assets	2,634,706,564	4,286,556,273	7,617,238,403	8,547,161,872	9,357,784,804	10,201,084,144
Notes and acc'ts receivable	614,667,376	1,051,542,806	1,984,601,790	2,239,832,960	2,420,475,398	2,677,367,962
Inventories	190,401,642	317,718,545	534,806,547	588,219,956	581,241,455	599,445,162
Investments in Gov't obligations	196,625,390	316,131,699	472,059,737	514,837,697	605,513,662	685,146,228
Net capital assets, except land[1]	552,838,384	825,107,002	1,418,605,742	1,591,843,868	1,761,860,557	1,843,681,474
Total liabilities	1,882,295,401	3,189,491,468	5,672,850,147	6,303,221,090	6,888,211,820	7,555,652,594
Accounts payable	148,812,597	263,417,584	542,172,368	619,969,292	678,630,282	671,495,438
Short-term debt[2]	170,884,261	272,123,551	504,802,288	585,947,678	667,060,956	759,536,076
Long-term debt[2]	362,700,303	586,703,526	986,663,932	1,058,070,877	1,224,277,725	1,323,209,421
Net worth	752,411,163	1,097,064,806	1,944,388,256	2,243,940,782	2,469,572,984	2,645,431,550
Total receipts	1,750,776,503	3,198,627,860	6,361,284,012	7,026,351,839	7,024,097,766	7,135,494,059
Business receipts	1,620,885,576	2,961,729,640	5,731,616,337	6,244,678,064	6,156,994,009	6,334,602,711
Interest on Gov't obligations	9,687,116	17,264,405	38,061,592	50,519,552	n.a.	n.a.
State and Local	3,775,917	6,711,606	12,620,876	13,881,460	14,124,877	16,667,263
United States	5,911,199	10,552,799	25,440,716	36,638,092	515,628,874	
Other interest	61,883,309	126,034,505	328,802,958	442,918,194		494,603,803
Rents and royalties	16,524,889	26,932,271	53,821,391	67,522,636	83,051,513	83,456,506
Net short-term capital gain less net long-term capital loss	190,439	301,601	2,013,510	2,178,572	2,882,207	5,048,854
Net long-term capital gain less net short-term capital loss	5,481,580	8,364,523	24,910,957	29,064,630	26,318,184	33,924,549
Net gain, sales of noncap. assets	5,315,562	7,757,287	20,117,615	16,639,271	20,992,023	26,134,711
Dividends received from domestic corporations	5,238,421	8,818,282	18,654,800	17,442,112	18,155,559	19,696,776
Dividends received from foreign corporations	3,466,515	5,467,726	14,563,353	13,790,320	13,950,906	13,892,070
Total deductions	1,682,778,847	3,052,674,597	6,125,365,155	6,813,841,356	6,869,267,462	6,945,457,358
Cost of sales and operations	1,146,263,273	2,129,928,467	4,204,905,905	4,509,198,199	4,270,850,310	4,308,238,989
Bad debts	6,479,814	13,781,147	18,769,771	22,286,815	26,690,963	30,543,184
Taxes paid	49,523,243	81,530,302	163,003,622	170,470,926	165,888,353	173,420,116
Interest paid	62,055,010	129,307,921	344,612,542	476,964,684	515,032,667	475,060,444
Contributions or gifts	797,029	1,202,130	2,358,554	2,514,425	2,906,476	3,626,605
Depreciation	52,941,266	86,295,664	157,345,828	186,195,048	213,179,160	241,491,819
Depletion	5,623,339	5,341,489	8,871,993	7,929,396	7,021,176	7,574,216
Pension, profit-sharing, stock bonus, and annuity plans	12,225,912	26,526,129	51,529,310	52,952,583	54,232,011	54,355,062
Net loss, sales of noncap. assets	1,289,305	1,804,079	5,903,104	7,943,607	10,367,020	7,615,697
Net income (less loss)	65,901,614	142,636,826	239,006,542	213,648,962	154,334,143	188,313,928
Net income, businesses w/profit	83,710,924	169,483,336	296,787,201	301,440,778	274,352,942	296,932,146
Net loss, businesses w/o profit	17,809,310	26,846,510	57,780,659	87,791,816	120,018,799	108,618,218
Income subject to tax	72,374,437	146,589,287	246,598,486	240,422,626	205,175,407	218,686,396
Income tax before credits[3]	32,949,937	65,769,822	103,831,172	100,644,417	85,077,493	90,461,858
Tax credits, total	5,414,940	26,452,791	42,167,741	43,813,131	39,694,245	40,356,349
Foreign tax credit	4,548,986	19,987,724	24,861,315	21,828,686	19,137,201	19,951,165
Possessions tax credit	N/A	N/A	1,565,681	1,945,637	2,026,980	1,583,007
Investment credit	865,954	6,459,746	15,102,812	18,887,286	17,312,702	16,145,173
Jobs credit	N/A	N/A	601,444	472,895	327,285	449,224
Research credit	N/A	N/A	N/A	639,302	839,220	1,277,474
Income tax after credits	27,534,997	39,317,031	61,663,431	56,831,286	45,383,248	50,105,509
Additional tax for tax preferences	265,249	156,740	438,820	524,851	478,457	561,505
Total income tax	27,878,078	39,691,517	62,974,695	58,444,720	47,071,909	51,862,218
Distributions to stockholders, except in own stock	32,012,677	45,224,392	97,378,617	120,295,338	132,478,411	128,298,454

See notes following Table 13.

Table 9.—Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1982-1986
[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	Individual income taxes	Corporation income taxes	Excise taxes	Employment taxes	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1982 TOTAL	632,241	352,609	65,991	36,779	168,718	8,143
October 1981 - December 1981	137,570	71,526	15,898	10,577	37,654	1,915
January 1982 - March 1982	154,128	85,930	14,722	9,426	41,751	2,299
April 1982 - June 1982	196,506	113,852	23,115	8,389	49,165	1,986
July 1982 - September 1982	144,036	81,301	12,256	8,387	40,148	1,943
FISCAL YEAR 1983 TOTAL	627,247	349,628	61,780	35,766	173,848	6,226
October 1982 - December 1982	132,205	70,312	13,404	8,498	38,404	1,588
January 1983 - March 1983	150,019	86,853	11,494	8,222	41,930	1,519
April 1983 - June 1983	194,431	111,721	22,027	8,947	50,219	1,516
July 1983 - September 1983	150,591	80,742	14,855	10,097	43,294	1,602
FISCAL YEAR 1984 TOTAL	680,475	362,892	74,179	38,017	199,210	6,177
October 1983 - December 1983	141,849	73,379	16,208	9,654	41,132	1,476
January 1984 - March 1984	164,681	89,316	14,337	8,862	50,545	1,622
April 1984 - June 1984	208,814	114,525	25,990	9,680	57,061	1,558
July 1984 - September 1984	165,131	85,672	17,644	9,822	50,472	1,521
FISCAL YEAR 1985 TOTAL	742,871	396,659	77,413	37,005	225,214	6,580
October 1984 - December 1984	155,919	79,775	17,546	9,732	47,286	1,580
January 1985 - March 1985	176,324	89,325	17,350	8,650	59,352	1,647
April 1985 - June 1985	233,946	136,141	24,843	9,013	62,313	1,636
July 1985 - September 1985	176,682	91,418	17,674	9,610	56,263	1,717
FISCAL YEAR 1986						
October 1985 - December 1985	167,836	86,608	18,854	9,321	51,354	1,699

See notes following Table 13.

Table 10.—Internal Revenue Refunds: Amounts Refunded by Quarter and Fiscal Year, 1982-1986
[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes	Corporation income taxes	Excise taxes	Employment taxes	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1982 TOTAL	75,202	55,102	17,974	367	1,578	181
October 1981 - December 1981	5,530	1,347	3,920	42	185	37
January 1982 - March 1982	24,024	19,338	4,197	76	377	36
April 1982 - June 1982	35,793	30,481	4,298	163	796	54
July 1982 - September 1982	9,855	3,936	5,559	86	220	53
FISCAL YEAR 1983 TOTAL	89,761	61,198	26,012	493	1,849	208
October 1982 - December 1982	9,411	1,875	7,030	58	397	52
January 1983 - March 1983	23,928	16,548	6,838	108	372	62
April 1983 - June 1983	46,715	38,341	7,421	194	721	38
July 1983 - September 1983	9,705	4,434	4,723	133	359	56
FISCAL YEAR 1984 TOTAL	85,872	64,629	17,889	657	2,486	211
October 1983 - December 1983	7,201	2,064	4,548	195	325	69
January 1984 - March 1984	25,285	19,613	4,850	129	646	47
April 1984 - June 1984	44,859	38,161	5,452	230	968	47
July 1984 - September 1984	8,527	4,790	3,039	103	547	48
FISCAL YEAR 1985 TOTAL	86,320	66,908	16,725	892	1,605	190
October 1984 - December 1984	6,729	2,246	4,177	122	138	46
January 1985 - March 1985	17,664	12,808	4,286	91	439	40
April 1985 - June 1985	52,376	46,370	4,701	556	702	47
July 1985 - September 1985..........	9,551	5,484	3,561	123	326	57
FISCAL YEAR 1986						
October 1985 - December 1985	7,948	3,003	4,268	128	488	61

See notes following Table 13.

Table 11.—Classes of Excise Taxes by Selected Fiscal Year, 1970-1985
[Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by fiscal year					
	1970	1975	1980	1983	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL TAXES, TOTAL	4,746,382	5,350,858	5,704,768	5,634,853	5,402,467	5,398,100
Distilled spirits	3,501,538	3,865,162	3,945,377	3,798,148	3,566,482	3,520,697
Wine	163,337	177,113	211,538	239,329	319,920	305,966
Beer	1,081,507	1,308,583	1,547,853	1,597,375	1,516,064	1,571,436
TOBACCO TAXES, TOTAL	2,094,212	2,315,090	2,446,416	4,139,810	4,663,610	4,483,193
Cigarettes	2,036,101	2,261,116	2,402,857	4,099,226	4,623,288	4,448,916
Cigars	56,834	51,226	39,500	33,716	30,372	24,294
MANUFACTURERS EXCISE TAXES, TOTAL	6,683,061	5,516,611	6,487,421	6,776,023	r10,107,930	10,020,574
Gasoline and lubricating oil[1]	3,517,586	4,071,465	4,326,549	4,953,267	9,020,413	9,062,630
Tires, tubes and tread rubber[2]	614,795	697,660	682,624	677,966	423,315	242,923
Motor vehicles, bodies, parts[3]	1,753,327	662,556	1,088,696	516,872	-14,777	N/A
Recreational products	53,427	84,946	136,521	132,672	132,448	166,666
Black Lung taxes	N/A	N/A	251,288	490,731	525,422	548,356
SPECIAL FUELS, AND RETAILERS TAXES, TOTAL[4]	257,820	404,187	560,144	831,196	r2,579,747	3,802,608
Diesel and special motor fuels	257,712	370,489	512,718	742,380	1,571,437	2,430,165
Trucks and buses	N/A	N/A	N/A	N/A	932,645	1,289,750
MISCELLANEOUS EXCISE TAXES, TOTAL	2,084,730	3,306,077	6,359,198	19,228,685	r13,319,322	11,044,833
Telephone and teletype[5]	1,469,562	2,023,744	1,117,834	1,048,317	2,034,965	2,307,607
Air transportation	250,802	850,567	1,748,837	1,898,786	2,456,712	2,589,818
Highway use tax	135,086	207,663	263,272	287,457	175,054	456,143
Foreign insurance[6]	8,614	19,458	74,630	-44,440	56,037	73,494
Exempt organization net investment income	N/A	63,828	65,280	112,380	146,806	136,153
Crude oil windfall profit	N/A	N/A	3,051,719	15,660,081	8,120,274	5,073,159
Environmental taxes (Superfund)	N/A	N/A	N/A	235,954	275,389	272,957

Selected class of tax	Fiscal year quarter ending					
	Sept. 1984	Dec. 1984	Mar. 1985	June 1985	Sept. 1985	Dec. 1985
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL TAXES, TOTAL	1,441,480	1,298,724	1,239,795	1,238,983	1,620,598	1,115,975
Distilled spirits	867,837	888,691	859,709	752,229	1,020,068	776,644
Wine	107,108	r105,370	60,328	58,927	81,341	77,478
Beer	466,535	r304,663	319,758	427,826	519,189	261,853
TOBACCO TAXES, TOTAL	1,233,254	727,357	1,601,544	914,703	1,239,589	816,606
Cigarettes	1,222,152	719,345	1,593,363	907,627	1,228,581	810,418
Cigars	8,069	5,384	5,683	4,261	8,966	3,651
MANUFACTURERS EXCISE TAXES, TOTAL	r2,247,879	r2,549,116	2,547,693	2,651,955	2,299,302	2,148,292
Gasoline and lubricating oil[1]	2,242,842	2,300,865	2,321,565	2,389,356	2,050,740	1,890,306
Tires, tubes and tread rubber[2]	51,343	51,738	51,885	64,634	74,666	76,050
Motor vehicles, bodies, parts[3]	-218[7]	-2,325[7]	-236[7]	3,744	N/A	N/A
Recreational products	38,007	44,031	23,944	56,960	41,750	46,855
Black Lung taxes	139,651	152,577	138,546	125,087	132,146	135,080
SPECIAL FUELS AND RETAILERS TAXES, TOTAL[4]	749,072	r886,347	925,877	1,001,597	1,007,787	931,944
Diesel and special motor fuels	404,819	548,487	583,945	631,603	666,130	642,800
Trucks and buses, chassis, bodies, etc.	325,269	318,282	312,982	340,502	317,985	268,615
MISCELLANEOUS EXCISE TAXES, TOTAL	r2,781,807	r2,682,278	1,816,894	2,751,198	3,747,992	4,557,274
Telephone and teletype[5]	625,417	521,220	530,468	649,170	606,749	556,278
Air transportation	677,897	647,672	640,055	683,413	618,678	717,665
Highway use tax	60,048	103,260	49,293	78,167	225,423	53,447
Foreign insurance[6]	16,964	18,876	14,958	20,462	19,197	21,075
Exempt organization net investment income	54,794	14,655	11,537	58,396	51,566	26,073
Crude oil windfall profit	1,245,871	1,289,421	498,450	1,189,069	2,096,218	3,079,427
Environmental taxes (Superfund)	76,658	70,415	65,902	65,458	71,182	68,538

See notes following Table 13.

Table 12.—Selected Returns and Forms Filed During Selected Calendar Years, 1970-1986

Type of return or form	Calendar Year						1986 Projected r(Preliminary)
	Number Filed						
	1970	1975	1980	1983	1984	1985	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Individual income[1]	77,281,384	84,026,785	93,194,916	95,701,801	96,651,754	99,704,246	102,959,400
Form 1040	77,143,251	61,450,279	55,360,030	59,580,123	61,185,893	64,010,068	66,871,500
Nonbusiness	68,129,351	51,377,153	43,957,141	46,631,876	47,411,432	49,873,300	52,128,500
Business	9,013,900	10,073,126	11,402,889	12,948,247	13,774,461	14,136,768	14,743,000
Schedule C	6,351,304	7,438,968	8,944,298	10,507,205	11,326,739	11,767,348	12,272,100
Schedule F	2,662,596	2,634,158	2,458,591	2,441,042	2,447,722	2,369,420	2,470,900
Form 1040A	N/A	22,462,776	37,692,282	21,045,266	19,590,110	18,779,084	18,372,800
Form 1040EZ	N/A	N/A	N/A	14,915,949	15,720,860	16,739,767	17,555,700
Corporation income:							
Form 1120	1,487,244	1,705,789	2,030,092	2,461,461	2,453,162	2,432,265	2,544,800
Form 1120A	N/A	N/A	N/A	N/A	N/A	199,665	208,900
Form 1120S	248,936	367,219	528,070	616,719	653,640	736,945	769,100
Partnership, Form 1065	991,904	1,132,839	1,401,567	1,613,493	1,675,605	1,755,339	1,803,000
Fiduciary, Form 1041[2]	1,149,445	1,558,570	1,876,392	2,019,483	2,021,954	2,124,969	2,153,700
Estate Tax, Forms 706 and 706NA	141,156	225,827	147,303	106,409	81,334	80,768	61,800
Gift Tax, Form 709	146,338	273,184	214,389	93,260	88,991	97,720	122,200
Exempt Organization[3]	387,469	433,446	438,153	429,115	399,987	454,097	474,100
Form 990[4]	377,030	346,627	362,632	344,216	319,859	365,506	381,200
Form 990-PF	N/A	29,637	33,137	33,232	29,107	32,005	33,500
Form 990-T	5,041	19,683	23,455	25,598	25,115	26,181	27,700

See notes on following Table 13.

Table 13.—Taxpayers Receiving Assistance, Paid and Unpaid, by Tax Year of Return, 1982-1984 [Some estimates are based on samples—all data are in thousands]

Type of assistance	Tax Year		
	1982	1983	1984
	(1)	(2)	(3)
Returns with paid preparer signature[1]:			
All returns	42,116	43,258	48,343
1040EZ	428	694	886
1040A	5,701	5,144	4,773
1040, total	35,987	37,421	42,684
1040 Business, total	9,191	9,563	12,203
Nonfarm	7,363	7,764	9,640
Farm	1,828	1,800	2,563
1040 Nonbusiness, total	26,796	27,858	30,481
With itemized deductions	15,334	16,475	20,197
Without itemized deductions	11,462	11,383	10,284
Assistance provided by IRS[2]:			
Telephone inquiries	39,863	42,212	41,904
Recorded telephone information	1,855	3,406	8,307
Office walk-ins, information	8,586	8,963	8,144
Written inquiries	148	163	160
Special programs:			
Community classes and seminars (taxpayers assisted)	40	313	400
Volunteer Income Tax Assistance (VITA) (returns prepared)	266	285	295
Tax Counseling for the Elderly (returns prepared)	145	185	199

See notes on following page.

General notations

N/A - Not applicable

n.a. - Not available

p - Preliminary

r - Revised

Table 1

[1] Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amounts on nonitemized returns.

[2] Includes surcharge of $2,018,078,000.

[3] Includes credits not shown separately below.

[4] For Tax Year 1983, the alternative minimum tax was revised and the minimum tax was abolished. The revised alternative minimum tax starting with 1983 covered many of the tax preference items that had previously been subject to the minimum tax. Also, the alternative minimum tax rate was increased. (For 1983 and 1984, data on the former minimum tax could be reported on prior-year returns processed during the current-year filing period).

SOURCE: Statistics of Income--Individual Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 2

[1] Includes exemptions for age and blindness.

[2] Totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. For purposes of Table 2:

a. Number of returns by state include, in addition to Forms 1040, 1040A and 1040EZ filed by U.S. citizens and residents, Forms 1040NR filed by nonresident aliens, as well as self-employment tax returns used in Puerto Rico and certain U.S. territories and possessions.

b. "Total tax" liability includes total income tax plus tax from recomputing prior-year investment credit, tax applicable to Individual Retirement Arrangements (IRA's), self-employment tax, social security tax on tip income, and certain other income-related taxes. Total tax is before reduction by earned income credit (see also footnote (c), below).

c. Earned income credit, available to certain low-income workers, could result in a refund (1) if there was no "total tax" (as defined in footnote (b), above), in which case the full amount was refundable, or (2) if the credit exceeded "total tax," in which case the excess was refundable. The difference between columns 19 and 21 is the refundable portion.

Total tax (column 16) minus earned income credit (column 21) is the amount most comparable to total tax in Tables 1 and 3. The total tax which results from this subtraction differs from Tables 1 and 3 because it includes additional taxes (see footnote (b), above) and because earned income credit used to offset tax (column 21) also includes amounts offset against these additional taxes.

[3] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by servicemen and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1985. Data have not been edited for Statistics of Income purposes.

SOURCE: Internal Revenue Service, Software Division, IMF Returns Systems Branch.

Table 3

[1] Includes income tax after credits and the additional tax for tax preferences, i.e., minimum tax and alternative minimum tax.

[2] For many taxpayers in this size class includes additional tax for tax preferences not included in "taxable income."

SOURCE: Statistics of Income--Individual Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 4

[1] Includes breakeven businesses.

SOURCE: Statistics of Income--Sole Proprietorship Returns, appropriate years, and SOI Bulletin, Summer issues. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 5

[1] Total assets, total liabilities and partners' capital account are somewhat understated because not all partnership returns included a complete balance sheet.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year.

[3] Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more. In addition, for Tax Year 1975, long-term debt included nonrecourse loans.

[4] See footnote 4 Table 6, for changes in the comparability of the statistics for receipts and deductions starting with 1981. Also, statistics for interest received are combined with dividends beginning with 1982.

[5] Beginning with 1981, represents the more all-inclusive amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (plus depreciation identified in cost of sales and operations schedules).

SOURCE: Statistics of Income--Partnership Returns, appropriate years, and SOI Bulletin, Summer issues. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 6

[1] Size classes are based on business receipts, i.e., gross amounts from sales and operations, for industries except finance, insurance and real estate. For the latter industries, total receipts, which is the sum of business receipts and investment income, was used. For partnerships, see also footnote 3, below.

[2] Includes returns with no receipts as defined in footnote 1.

[3] Includes corporations with zero assets and liabilities.

[4] Beginning with 1981, "total receipts" in Table 5 includes, in part, only the net income or loss from farming and rentals. Previously, "total receipts" included the gross receipts from farming and rentals and, if rental receipts were the principal source of total receipts, they were treated as "business receipts" for the statistics. To help minimize the break in comparability caused by this change in statistical treatment of farm and rental income, an effort was made for 1981-82 to include rental (though not farm) gross receipts in the receipts used for the size distribution in Table 6.

In Table 5, since only the net income or loss from farming and rentals was included starting with 1981, the deductions reported in computing these net incomes are excluded from the deduction statistics. For previous years, these deductions are reflected in the deduction statistics.

[5] Prior to 1979, partnerships that had liquidated were assumed to have zero assets and liabilities, even if their balance sheets showed otherwise, and were included in the "under $25,000" asset size class. Beginning with 1980, balance sheet data reported for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years, Statistics of Income--Partnership Returns, appropriate years, Statistics of Income--Sole Proprietorship Returns, appropriate years, and SOI Bulletin, Summer issues. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Table 7

[1] Includes additional tax for tax preferences (minimum tax), tax from recomputing prior year investment credit and Personal Holding Company tax.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Table 8

[1] Net capital assets, except land, consists of depreciable, depletable, and intangible assets less accumulated depreciation, depletion and amortization.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year. Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more.

[3] Consists of regular and alternative tax. Tax Year 1970 includes surcharge of $784,437,000.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Tables 9 and 10

[1] Individual income tax collected includes that portion which was designated for the presidential election campaign fund by taxpayers on their returns. Also included is the fidiciary income tax collected (from estates and trusts). Fidiciary income tax collected was $4.1 billion in 1985, $2.9 billion in 1984, $2.7 billion in 1983, and $2.6 billion in 1982. Presidential election campaign designations amounted to $34.8 million in 1985 and 1984, $35.5 million in 1983, and $39.0 million in 1982.

[2] Corporation income tax collected includes the tax on "unrelated business income" of tax-exempt organizations. Unrelated business income tax collected was $69.8 million (1985), $50.0 million (1984), $45.1 million (1983), and $64.7 million (1982).

[3] Excise taxes are imposed on selected products, services and activities, such as those on alcohol and tobacco products and the windfall profit tax on domestically-produced crude oil.

[4] Employment taxes include payroll taxes levied on salaries and wages, such as social security, railroad retirement and unemployment taxes; plus the self-employment tax imposed on "self-employment income".

NOTES: Collections (or refunds) are those made during the time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

Collections represent the gross amounts before refunds and include amounts paid with the return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of examination and enforcement activities). Collections also include interest and penalties.

Refunds result chiefly from tax overpayments determined at time of filing a return. Included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those produced by "net operating loss" and other carryback adjustments from future taxable years); or as a result of initial return processing or of examination and other activities. Individual income tax refunds are net of offsets under a law which requires IRS to act as collection agent for state welfare agencies so that these agencies can be reimbursed for the support they furnished through Aid to Families with Dependent Children (AFDC) programs. All refund data include interest paid by IRS.

Detail may not add to totals because of rounding.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Table 11

[1] Includes a one-time tax of 5 cents per gallon on gasoline and 4 cents per gallon on gasohol imposed on inventories of dealers as of April 1, 1983. Taxes on lubricating oil were repealed effective January 5, 1983.

[2] Effective January 1, 1984, taxes on tubes and tread rubber were repealed, and dealers holding taxable tires were assessed a one-time floor stock tax.

[3] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, motor vehicles are excluded.

[4] Special fuels, total includes diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Beginning with the quarter ending December 1983, motor vehicles are included.

[5] Effective January 1, 1983, the excise tax increased from 1 percent to 3 percent.

[6] The negative amounts are due to refunds of this tax under the United States - United Kingdom Income Tax Treaty, which provides for an exemption from the tax retroactive to January 1, 1975. Also, a similar United States - France treaty provides for an exemption retroactive to January 1, 1979.

[7] This amount reflects adjustments made for prior quarters.

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. For 1980-84, the fiscal year was defined as October of the previous calendar year through September of the year noted.

Additional detail is published in the Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Table 12

[1] Includes Forms 1040C, PR and SS.

[2] Includes Form 1041A in 1970 and 1975.

[3] Included in totals, but not in the detail are Forms 990C, 4720, and 5227.

[4] Includes Form 990A in 1970.

SOURCE: Internal Revenue Service, Research Division, Projections and Forecasting Group.

Table 13

[1] 1984 projections are based on converting 1984 Taxpayer Usage Study sample (TPUS) to the equivalent of the Statistics of Income (SOI) sample. This was done because the TPUS sample represents returns filed through April, while the SOI sample represents all individual income tax returns filed for a calendar year. For additional information about the TPUS sample, see the Summer 1985 issue of the SOI Bulletin.

[2] Data on IRS Taxpayer Service Programs are collected on a fiscal-year basis. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during the fiscal year and are for the tax year ending with the previous December. Therefore, data in Table 13, which are presented on a tax year basis are actually for a fiscal year, e.g., data shown as for Tax Year 1982 are actually for Fiscal Year 1983.

NOTE: Data on IRS assistance represent taxpayer contacts. Some taxpayers make more than one contact. The number of taxpayers assisted (in contrast to the number of contacts made) is not known.

SOURCE: Data on paid preparers obtained from Statistics of Income and Taxpayer Usage Study samples. Data on IRS assistance were compiled by the Taxpayer Service Division.

Appendix*

General Description of Statistics of Income Sample Procedures and Data Limitations

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see References). More technical information is available, upon request, by writing to the Director, Statistics of Income Division, Internal Revenue Service, Washington, DC 20224.

SAMPLE CRITERIA AND SELECTION OF RETURNS

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. The samples are based on such criteria as: industry, presence or absence of a return form schedule, accounting period, state from which filed and various income factors or other measures of economic size (such as total assets in the case of corporations).

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the allowable total cost or predetermined size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master File based on the taxpayer identification number (TIN) which is either the social security number (SSN) or the employer identification number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise it is counted (for estimation purposes) but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designed from one year's sample are for the most part selected for the next year's, so that a very high proportion of the returns selected in the current sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

METHOD OF ESTIMATION

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. Weights are, in general, computed by dividing the count of returns filed for a given stratum by the count of sample returns for that same stratum. "Weights" are used to adjust for the various sampling rates used--the lower the rate, the larger the weight.

The data on each return in a stratum are then multiplied by that weight. To produce the tabulated estimates, these weighted data are summed to produce the published statistical totals.

SAMPLING VARIABILITY

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

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*Compiled by Bettye Jamerson, Coordination and Publications Staff, under the direction of Robert Wilson, Team Leader. Major contributions were made by Paul McMahon, Corporation Statistics Branch, Operations Section.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

15,000 (sample estimate)
x 0.02 (coefficient of variation)
= 3,000 (standard error of estimate)

150,000 (sample estimate)
+ or - 3,000 (standard error)
= 147,000-153,000 (68% confidence interval)

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained on request by writing the Director, Statistics of Income Division.

Generally in the SOI Bulletin only conservative upper limit CV's are provided for frequency estimates. These do, however, provide a rough guide to the order of magnitude of the sampling error.

NONSAMPLING ERROR CONTROLS AND LIMITATIONS

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during statistical "editing" in order both to improve data consistency from return to return and to achieve definitions of the data items that are more in keeping with the needs of major users. In some cases not all of the data are available from the tax return as originally filed. Sometimes the missing data can be obtained through field followup. More often though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

Quality of the basic data abstracted from the returns is subjected to a number of quality control steps including 100-percent key verification. The data are then subjected to many tests based on the structure of the tax law and the improbability of various data combinations. Records failing these tests are then subjected to further review and any necessary corrections are made. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically-processed returns as a further check.

Finally, before publication, all statistics are reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

TABULAR CONVENTIONS

Estimates of frequencies and money amounts that are considered unreliable due to the small sample size on which they are based are noted by an asterisk (*) to the left of the data item(s) in the tabulations. The presence of an asterisk indicates that the sample rate is less than 100 percent of the population and there are fewer than 10 sample observations available for estimation purposes.

A dash in place of a frequency or amount dicates that no sample return had that aracteristic. In addition, a dash in place a coefficient of variation for which there an estimate indicates that all returns ntributing to the estimate were selected at e 100-percent rate.

Whenever a weighed frequency in a data cell less than 3, the estimate is either combined ith other cells or deleted in order to avoid isclosure of information about individual xpayers or businesses [3]. These combinaions and deletions are indicated by a double sterisk (**).

OTES

1] For an example of the recent SOI Division research, see Hinkins, S., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in 1984 Proceedings: American Statistical Association, Section on Survey Research Methods p. 245. Other research efforts are included in Statistical Uses of Administrative Records: Recent Research and Present Prospects, Volume 1, pages 179-184, Internal Revenue Service, March 1984.

[2] Quality control activities for all SOI studies will be published in a series of forthcoming reports. These reports will provide detailed information relating to quality in all phases of SOI processing.

[3] In the case of geographic statistics, steps to avoid disclosure are taken when a weighted frequency is less than 10.

REFERENCES

For information about the samples used for specific SOI programs see:

Individual Income Tax Returns, 1983, Tables emphasizing returns filed, sources of income, exemptions, itemized deductions and tax computations (see especially page 3).

Statistics of Income--1982, Corporation Income Tax Returns (see especially pages 9-15).

Statistics of Income--1978-82, Partnership Returns (see especially pages 237-244).

Statistics of Income--1979-83, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns (see information about the samples used at the end of each chapter)

Statistics of Income Bulletin (see each issue).

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SOI BULLETIN Spring 1986

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☐ Sole proprietorship returns
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☐ Corporation industry statistics
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